

Return of Organization Exempt From Income Tax

2000

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

A For the **2000** calendar year, or tax year period beginning **October 1**, 2000, and ending **September 30**, 2001

B Check if applicable:
 Change of address
 Change of name
 Initial return
 Final return
 Amended return

C Name of organization
Mackinac Associates
 Number and street (or P O box if mail is not delivered to street address) Room/suite
P O Box 567
 City or town state or country and ZIP code
Mackinaw City MI 49701

D Employer identification number
38 2328863

E Telephone number
(231) 436-4100

F Check if application pending

G Organization type (check only one) ▶ 501(c) (3) ◀ (insert no) 527 or 4947(a)(1)

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

J Accounting method Cash Accrual Other (specify) ▶

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ) ▶

Note H and I are not applicable to section 527 orgs
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 inst)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Enter 4-digit group exemption no (GEN) ▶
L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ) ▶

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16)

Revenue					
1	Contributions, gifts, grants, and similar amounts received				
	a Direct public support	1a	150,650.00		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d		150,650.00	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			
3	Membership dues and assessments	3		14,609.00	
4	Interest on savings and temporary cash investments	4		4,393.90	
5	Dividends and interest from securities	5		(4,920.59)	
6a	Gross rents	6a			
	b Less rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe ▶ _____)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	b Less cost or other basis and sales expenses	8a			
	c Gain or (loss) (attach schedule)	8b			
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
		8d			
9	Special events and activities (attach schedule)				
	a Gross revenue (not including \$ 2020.00 of contributions reported on line 1a)	9a	24,921.00		
	b Less direct expenses other than fundraising expenses	9b	24,454.27		
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		466.73	
10a	Gross sales of inventory, less returns and allowances	10a			
	b Less cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue (add lines 1, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		165,199.04	
13	Program services (from line 44, column (B))	13		145,114.83	
14	Management and general (from line 44, column (C))	14		12,577.12	
15	Fundraising (from line 44, column (D))	15		866.55	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17		158,558.50	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		6,640.54	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		214,649.67	
20	Other changes in net assets or fund balances (attach explanation)	20			
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		221,290.21	

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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 Specific Instructions on page 20)

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
22	Grants and allocations (attach schedule) (cash \$ 129,106.51 noncash \$ _____)	22 129,106.51	129,106.51		
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25			
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33 11,186.87	1,118.68	9,508.54	559.35
34	Telephone	34			
35	Postage and shipping	35 3,072.00	491.52	2,273.28	307.20
36	Occupancy	36			
37	Equipment rental and maintenance	37 795.00		795.00	
38	Printing and publications	38 14,398.12	14,398.12		
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42			
43	Other expenses (itemize) a	43a			
	b	43b			
	c	43c			
	d	43d			
	e	43e			
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 158,558.50	145,114.83	12,577.12	866.55

Reporting of Joint Costs. Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? 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 Specific Instructions on page 23)

What is the organization's primary exempt purpose? ▶ Preserve/interpret history of Mackinac	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
a Children's Discovery Room is the newest "hands on" exhibit at Fort Mackinac on Mackinac Island. Geared to children, it offers exhibits, games and activities of family and soldier life at Fort Mackinac in the 1880. Serves 375,000+ visitors annually. (Grants and allocations \$ 55,000)	61,819.62
b Support Services provides education and service to 3000+ members and and information services to thousands of public visitors. Brochures, flyers and personal correspondence are created. (Grants and allocations \$ 15,000.00)	16,859.91
c Interpretive panels provide outdoor interpretive signs to educate the visiting public on the subjects of geography and natural history of the Straits area. These panels will serve 1.2 million visitors annually. (Grants and allocations \$ 11,700.00)	13,150.72
d Education Outreach Brochure and Support- 12000+ Michigan students are provided with in class programs interpreting history, natural history, and Native American history of the Straits region. (Grants and allocations \$ 22,624.66)	25,429.97
e Other program services (attach schedule) (Grants and allocations \$ 24,781.85)	27,854.61
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	145,114.83

Part IV Balance Sheets (See Specific Instructions on page 23)

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	13,452.51	45	397.29
	46 Savings and temporary cash investments	134,654.54	46	170,513.09
	47a Accounts receivable	1,464.12		
	47b Less allowance for doubtful accounts		47c	1,464.12
		834.12		
	48a Pledges receivable		48c	
	48b Less allowance for doubtful accounts			
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)			
	51b Less allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments—securities (attach schedule) ▶ <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	79,098.50	54	74,019.85
	55a Investments—land, buildings, and equipment basis			
55b Less accumulated depreciation (attach schedule)		55c		
56 Investments—other (attach schedule)		56		
57a Land, buildings, and equipment basis				
57b Less accumulated depreciation (attach schedule)		57c		
58 Other assets (describe ▶ _____)		58		
59 Total assets (add lines 45 through 58) (must equal line 74)	215,039.67	59	246,394.35	
Liabilities	60 Accounts payable and accrued expenses	400.00	60	25,104.14
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	64b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ▶ _____)		65	
66 Total liabilities (add lines 60 through 65)	400.00	66	25,104.14	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	68,346.12	67	91,554.81
	68 Temporarily restricted	7,081.16	68	7,689.29
	69 Permanently restricted	139,212.39	69	122,046.11
	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)	214,639.67	73	221,290.21
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	215,039.67	74	246,394.35

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.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 25)

a	Total revenue, gains, and other support per audited financial statements ▶	a
b	Amounts included on line a but not on line 12, Form 990	
(1)	Net unrealized gains on investments \$ _____	
(2)	Donated services and use of facilities \$ _____	
(3)	Recoveries of prior year grants \$ _____	
(4)	Other (specify) _____ \$ _____	
	Add amounts on lines (1) through (4) ▶	b
c	Line a minus line b ▶	c
d	Amounts included on line 12, Form 990 but not on line a:	
(1)	Investment expenses not included on line 6b, Form 990 \$ _____	
(2)	Other (specify) _____ \$ _____	
	Add amounts on lines (1) and (2) ▶	d
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e

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

a	Total expenses and losses per audited financial statements ▶	a
b	Amounts included on line a but not on line 17, Form 990	
(1)	Donated services and use of facilities \$ _____	
(2)	Prior year adjustments reported on line 20, Form 990 \$ _____	
(3)	Losses reported on line 20, Form 990 \$ _____	
(4)	Other (specify) _____ \$ _____	
	Add amounts on lines (1) through (4) ▶	b
c	Line a minus line b ▶	c
d	Amounts included on line 17, Form 990 but not on line a:	
(1)	Investment expenses not included on line 6b, Form 990 \$ _____	
(2)	Other (specify) _____ \$ _____	
	Add amounts on lines (1) and (2) ▶	d
e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see Specific Instructions on page 25)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributors to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Lorna P. Straus 5642 Kimbark Ave, Chicago, IL 60637	President 5	-0-	-0-	-0-
Gregory Cheeseman 325 Graham Ave, St Ignace MI 49781	Vice President 2	-0-	-0-	-0-
Robert Benjamin P O Box 497, Mackinac Island, MI 49757	Secretary/treasurer 2	-0-	-0-	-0-
Oliver Boynton 1007 S State Street St Ignace, MI 49781	Trustee 2	-0-	-0-	-0-
Nancy Campbell P O Box 893 Mackinaw City, MI 49701	Trustee 2	-0-	-0-	-0-
Wendy Caulkins 8999 Canal Dr Cheboygan, MI 49721	Trustee 2	-0-	-0-	-0-
Todd Harburn 4134 Leward Dr Okemos, MI 48864	Trustee 2	-0-	-0-	-0-
Marta Olsen 9809 Beachview Jerome MI 49249	Trustee 2	-0-	-0-	-0-
Peter Marabell P O Box 780 Mackinac Island MI 49757	Trustee 2	-0-	-0-	-0-
.....				

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule—see Specific Instructions on page 26

Part VI Other Information (See Specific Instructions on page 26)		N/A	Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b		X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt			
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a		
b	Did the organization file Form 1120-POL for this year?	81b		X
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?	82a		X
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 for reporting in Part III)	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a		X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b		X
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
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 in 85f?	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 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			
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			
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		
88	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	88		X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 _____, section 4912 _____, section 4955 _____			
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		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		-0-	
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		-0-	
90a	List the states with which a copy of this return is filed			-0-
b	Number of employees employed in the pay period that includes March 12, 2000 (See inst)	90b		-0-
91	The books are in care of _____ Telephone no _____ Located at _____ ZIP code _____			
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 Specific Instructions on page 30)

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 _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments			03	14,609.00	
95 Interest on savings and temporary cash investments			14	3,379.05	
96 Dividends and interest from securities			14	(1,820.24)	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01	466.73	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				16,634.54	
105 Total (add line 104, columns (B), (D), and (E))					16,634.54

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 31)

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)
▼	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 31)

(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 Specific Instructions on page 31)

- (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)

including accompanying schedules and statements, and to the best of my knowledge (other than officer) is based on all information of which preparer has any knowledge

01/31/02

Carl R. Nold, Administrative Agent

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information—(See separate instructions.)

OMB No 1545-0047

2000

Department of the Treasury
Internal Revenue Service

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

Name of the organization

Mackinac Associates

Employer identification number

38 2328863

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 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
NONE				
Total number of other employees paid over \$50,000 ▶				

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 1 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
NONE		
Total number of others receiving over \$50,000 for professional services ▶		

Part III Statements About Activities

- | | | 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 ► \$ _____
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. | 1 | | X |
| 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its 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: | | | |
| a Sale, exchange, or leasing of property? | 2a | | X |
| b Lending of money or other extension of credit? | 2b | | X |
| c Furnishing of goods, services, or facilities? | 2c | | X |
| d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? | 2d | | X |
| e Transfer of any part of its income or assets?
If the answer to any question is "Yes," attach a detailed statement explaining the transactions. | 2e | | X |
| 3 Does the organization make grants for scholarships, fellowships, student loans, etc.? | 3 | | X |
| 4a Do you have a section 403(b) annuity plan for your employees? | 4a | | X |
| b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See page 2 of the instructions.) | | | |

Part IV Reason for Non-Private Foundation Status (See pages 2 through 5 of the instructions)

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, page 5.)
- 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)(ii). 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 33 1/3% 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 33 1/3% 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 supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 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) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total	
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	FY00 129,880	FY99 196,335	FY98 113,464	FY97 152,750	592,429	
16 Membership fees received	13,421	12,572	55,410	47,453	128,856	
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated 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	6,564	28,571	10,751	5,257	51,143	
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	149,865	237,478	179,625	205,460	772,428	
24 Line 23 minus line 17	149,865	237,478	179,625	205,460	772,428	
25 Enter 1% of line 23	1,498	2,374	1,796	2,055		
26 Organizations described on lines 10 or 11. a Enter 2% of amount in column (e), line 24						26a
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1996 through 1999 exceeded the amount shown in line 26a. Enter the sum 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," attach a list (which is not open to public inspection) to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year: (1999) 9,103 (1998) 8,762 (1997) 7,228 (1996) 5,930						
b For any amount included in line 17 that was received from a nondisqualified person, attach a list 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 11, as well as individuals.) 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: (1999) _____ (1998) _____ (1997) _____ (1996) _____						
c Add Amounts from column (e) for lines 15 <u>592,429</u> 16 <u>128,856</u> 17 <u>-0-</u> 20 <u>-0-</u> 21 <u>-0-</u>						27c 721,285
d Add Line 27a total <u>31,023</u> and line 27b total _____						27d 31,023
e Public support (line 27c total minus line 27d total)						27e 690,262
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)						27f 772,428
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))						27g 89.4 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))						27h 6.6 %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1996 through 1999, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See page 5 of the instructions.)						

Part V Private School Questionnaire (See page 5 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)		
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		
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 7 of the instructions)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check here a if the organization belongs to an affiliated group
 Check here b if you checked "a" above 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—		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	The lobbying nontaxable amount is—		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$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 9 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(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 9 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)			

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

Mackinac Associates

FINANCIAL STATEMENT

9/30/01

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	CURRENT	BUDGET	VARIANCE	Y-T-DATE	BUDGET	VARIANCE	ANNUAL BUDGET
INCOME							
Membership Income							
	990 50	1 396 00	(405 50)	7 830 00	12 925 00	(5,095 00)	12,925 00
	6,569 00	1,250 00	5,319 00	21,175 50	5 000 00	16,175 50	5,000 00
	3,631 00	4 442 00	(811 00)	21,525 00	33 150 00	(11,625 00)	33,150 00
	300 00	1,432 00	(1,132 00)	13,170 00	17,250 00	(4,080 00)	17,250 00
	0 00	400 00	(400 00)	1 750 00	2 800 00	(1,050 00)	2,800 00
	1,508 00	500 00	1 008 00	10 508 00	11 000 00	(492 00)	11,000 00
	0 00	0 00	0 00	4 000 00	3 000 00	1,000 00	3,000 00
TOTAL MEMBERSHIP INCOME	12,998 50	9,420 00	3 578 50	79 958 50	85 125 00	(5,166 50)	85 125 00
Other Operating Income							
Interest Income	1,327 72	337 00	990 72	3 379 05	4 000 00	(620 95)	4 000 00
	(5,078 65)	0 00	(5 078 65)	(5 078 65)	0 00	(5,078 65)	0 00
	0 00	0 00	0 00	206 00	0 00	206 00	0 00
	0 00	0 00	0 00	10 095 00	6 375 00	3,720 00	6 375 00
	0 00	0 00	0 00	525 00	750 00	(225 00)	750 00
	0 00	0 00	0 00	12,095 00	17 000 00	(4,905 00)	17 000 00
	0 00	0 00	0 00	2,000 00	0 00	2,000 00	0 00
	0 00	0 00	0 00	305 00	0 00	305 00	0 00
	125 00	0 00	125 00	21,546 00	17 500 00	4,046 00	17 500 00
	0 00	0 00	0 00	1,715 00	1,500 00	215 00	1 500 00
	150 00	0 00	150 00	34,199 00	16,500 00	17,699 00	16 500 00
	0 00	0 00	0 00	25,450 00	30,000 00	(4,550 00)	30 000 00
TOTAL OTHER OPERATING INCOME	(3 475 93)	337 00	(3,812 93)	106,436 40	93,625 00	12,811 40	93 625 00
TOTAL OPERATING INCOME	9,522 57	9,757 00	(234 43)	186,394 90	178,750 00	7,644 90	178 750 00

PART V , continued

(A) Name and Address	(B) Title and average hours per week devoted to position	(C) Compensation	(D) Contributions to employee benefit plans	(E) Expense account and other allow
CLAYTON TIMMONS PO BOX 428 MACKINAC ISLAND MI 49757	TRUSTEE 2	0	0	0

SCHEDULE A

OFFICERS AND
DIRECTORS

	1999	1998	1997	1996	1995
ROBERT BENJAMIN	\$ 315 00	\$250 00	\$370 00	\$350 00	\$150 00
OLIVER BOYNTON	\$ 430 00	\$120 00	\$70 00	\$70 00	\$70 00
NANCY CAMPBELL	\$ 450 00	\$450 00	\$300 00	\$250 00	\$250 00
WENDY CAULKINS	\$1,508 00	\$1,642 00	\$1,698 00	\$1,600 00	\$2,784 00
GREG CHEESEMAN	\$ 480 00	\$325 00	\$445 00	\$225 00	\$325 00
TODD HARBURN	\$ 300 00	\$100 00	\$100 00	\$95 00	\$70 00
ALICE MYRON	\$ 250 00	\$400 00	\$620 00	\$250 00	\$320 00
MARTA OLSON	\$ 810 00	\$625 00	\$925 00	\$70 00	\$70 00
RAY ROTH		\$120 00	\$120 00	\$70 00	\$120 00
LORNA STRAUS	\$1,600 00	\$960 00	\$700 00	\$1,250 00	\$1,600 00
CLAYTON TIMMONS	\$2,500 00	\$3,770 00	\$2,500 00	\$1,700 00	\$7,500 00
PETER MARABELL	\$ 460 00				
	\$9,103 00	\$8,762 00	\$7,848 00	\$5,930 00	\$13,259 00

Mackinac Associates

Balance Sheet

9/30/01

ASSETS

UNRESTRICTED ASSETS

Cash - Checking	397 29
Cash - Savings	88,185 40
Stocks	1,508 00
Accounts Receivable	1,464 12

TOTAL UNRESTRICTED ASSETS	91,554 81
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RESTRICTED ASSETS

TEMPORARILY RESTRICTED

Education Endowment (B)	7,689 29
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PERMANENTLY RESTRICTED

Education Endowment (D)	109,190 71
Stocks - Restricted(Ed Endowment)	23,085 00
Hazel DeRosa Mem Fund	2,523 91
Library Acquisition Fund	173 51
Dwightwood Spring Memorial Fund	1,598 41
French Research Grant	10,578 71

TOTAL RESTRICTED ASSETS	154,839 54
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TOTAL ASSETS	246,394 35
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LIABILITIES & EQUITY

Accounts Payable	25,104 14
Retained Earnings	214,649 67

NET CHANGE FOR THE PERIOD	6,640 54
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TOTAL LIABILITIES AND FUND BALANCE	(246,394 35)
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Mackinac Associates

FINANCIAL STATEMENT

9/30/01

PAGE 2

	CURRENT	BUDGET	VARIANCE	Y-T-DATE	BUDGET	VARIANCE	ANNUAL BUDGET
EXPENSES							
Management & General							
Administrative Expenses	10 00	0 00	10 00	599 82	0 00	599 82	0 00
Fund Development	825 00	100 00	725 00	6 498 90	4 850 00	1,648 90	4,850 00
Donor Board Update	0 00	0 00	0 00	396 00	1 000 00	(604 00)	1,000 00
Community Events	0 00	0 00	0 00	422 31	750 00	(327 69)	750 00
Membership Premiums	0 00	250 00	(250 00)	163 90	250 00	(86 10)	250 00
Membership Services	654 75	750 00	(95 25)	3,278 90	6,800 00	(3 521 10)	6,800 00
Supplies	1,238 40	0 00	1,238 40	3 694 04	3 800 00	(105 96)	3,800 00
Brochure Reprnt	0 00	0 00	0 00	3,599 21	6,000 00	(2,400 79)	6,000 00
Total Mgmt & General	2,728 15	1 100 00	1,628 15	18,653 08	23,450 00	(4 796 92)	23,450 00
Special Events							
Detroit/Mackinac Event	0 00	0 00	0 00	11,718 09	13,700 00	(1,981 91)	13,700 00
Other - Pre/Post Events	485 15	1,000 00	(514 85)	1,430 39	3,000 00	(1,569 61)	3 000 00
Total Special Events	485 15	1,000 00	(514 85)	13,148 48	16 700 00	(3,551 52)	16 700 00

Mackinac Associates

FINANCIAL STATEMENT

9/30/01

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	CURRENT	BUDGET	VARIANCE	Y-T-DATE	BUDGET	VARIANCE	ANNUAL BUDGET
Program Services							
Admissions Scholarships	172 06	0 00	172 06	172 06	500 00	(327 94)	500 00
Volunteer Recognition	200 00	200 00	0 00	200 00	200 00	0 00	200 00
Curosities Newsletter	4 028 82	2,300 00	1,728 82	8,174 25	11,500 00	(3 325 75)	11 500 00
Support Staffing	0 00	7,500 00	(7,500 00)	15,000 00	15,000 00	0 00	15 000 00
G Mennen Williams Celebration	0 00	0 00	0 00	10,179 79	6 500 00	3,679 79	6,500 00
Annual Meeting	901 00	0 00	901 00	1,126 00	1,650 00	(524 00)	1,650 00
Education Outreach Brochure	0 00	0 00	0 00	2,624 66	2 300 00	324 66	2,300 00
Education Outreach Support	20,000 00	20,000 00	0 00	20,000 00	20,000 00	0 00	20,000 00
Total Program Services	25,301 88	30,000 00	(4,698 12)	57 476 76	57,650 00	(173 24)	57 650 00
Special Projects							
Mill Creek Naturalist	0 00	0 00	0 00	4,000 00	4,000 00	0 00	4,000 00
Education Packet Redesign & Repnnt	0 00	0 00	0 00	8 284 45	9,300 00	(1,015 55)	9,300 00
Guest Research & Evaluation	5,500 00	0 00	5 500 00	7 500 00	7,500 00	0 00	7,500 00
Native American Historic Figure	0 00	0 00	0 00	7 250 00	7,250 00	0 00	7,250 00
Arch Rock Interpretive Panels	2,600 00	2 600 00	0 00	2 600 00	2,600 00	0 00	2,600 00
Mackinac Geography Inter Panels	1 950 00	0 00	1 950 00	1,950 00	1,950 00	0 00	1,950 00
Mackinac Natural History Inter Panels	3 900 00	0 00	3 900 00	3,900 00	3,900 00	0 00	3,900 00
Mill Creek History Inter Panels	3 250 00	0 00	3 250 00	3,250 00	3,250 00	0 00	3,250 00
Children's Discovery Room	20,000 00	0 00	20 000 00	55,000 00	35,000 00	20,000 00	35,000 00
Total Special Projects	37,200 00	2,600 00	34 600 00	93,734 45	74,750 00	18,984 45	74,750 00
TOTAL EXPENSES	65,715 18	34,700 00	31,015 18	183,012 77	172,550 00	10,462 77	172,550 00
TOTAL OPER PROFIT/(LOSS)	(56,192 61)	(24,943 00)	(31,249 61)	3,382 13	6 200 00	(2,817 87)	6 200 00

Mackinac Associates

FINANCIAL STATEMENT

9/30/01

PAGE 4

	CURRENT	BUDGET	VARIANCE	Y-T-DATE	BUDGET	VARIANCE	ANNUAL BUDGET
NON-OPERATING INCOME							
ENDOWMENT INCOME							
Endow Dividend Income (D)	0 00	0 00	0 00	158 06	0 00	158 06	0 00
Dividend Income - Rest	57 51	0 00	57 51	746 17	0 00	746 17	0 00
Endow Interest-Rest (D)	(230 87)	0 00	(230 87)	268 68	0 00	268 68	0 00
Endow Contributions-Rest (D)	130 00	250 00	(120 00)	2,085 50	3,000 00	(914 50)	3,000 00
NON-ENDOWMENT INCOME							
TOTAL NON-OPERATING INCOME	(43 36)	250 00	(293 36)	3,258 41	3,000 00	258 41	3,000 00
Net Change for the Period	(56,235 97)	(24,693 00)	(31 542 97)	6 640 54	9,200 00	(2,559 46)	9,200 00

MACKINAC ASSOCIATES
FORM 990- 2000
38-2328863

Part III

	Program Service	Grant
Admission Scholarships		\$ 173 06
Volunteer Recognition		\$ 200 00
Education Outreach		\$ 20,624 66
Mill Creek Naturalist		\$ 4,000 00
Education Packet		\$ 8,284 45
Guest Research & Evaluation		\$ 7,500 00
Native American Historic Figure		\$ 7,250 00
Geography & Natural History Panels		\$ 11,700 00
Support Staffing		\$ 15,000 00
Children's Discovery Room		<u>\$ 55,000 00</u>
Total		\$129,106 51