

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

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

OMB No. 1545-0047

2006

Open to Public Inspection

A For the 2006 calendar year, or tax year beginning , and ending**B** Check, if applicable☒ Address change☐ Name change☐ Initial return☐ Final return☒ Amended return☐ Application pendingPlease
use IRS
label or
print or
type. See
Specific
Instruc-
tions.**C** Name of organization

PACKARD MOTOR CAR FOUNDATION

Number and street (or P.O. box if mail is not delivered to street address)

9157 TIMBERLINE DRIVE

Room/suite

City or town, state or country, and ZIP + 4

GRAND BLANC

MI 48439

D Employer identification number

31-1502101

E Telephone number

810-744-1820

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 are not applicable to section 527 organizations. I

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 anorganization 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.PACKARDMOTORFDN.ORG**J** Organization type(check only one) ▶ ☒ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**K** Check here ☐ if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. 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 ▶ 369,213**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

1	Contributions, gifts, grants, and similar amounts received:			
a	Contributions to donor advised funds	1a	368,699	
b	Direct public support (not included on line 1a)	1b		
c	Indirect public support (not included on line 1a)	1c		
d	Government contributions (grants) (not included on line 1a)	1d		
e	Total (add lines 1a through 1d) (cash \$ 368,699 noncash \$)	1e	368,699	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		
3	Membership dues and assessments	3		
4	Interest on savings and temporary cash investments	4	471	
5	Dividends and interest from securities	5	43	
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		8d		
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
a	Gross revenue (not including \$ of contributions reported on line 1b)	9a		
b	Less: direct expenses other than fundraising expenses	9b		
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c		
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 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	369,213	
13	Program services (from line 44, column (B))	13	48,048	
14	Management and general (from line 44, column (C))	14	12,256	
15	Fundraising (from line 44, column (D))	15	68,150	
16	Payments to affiliates (attach schedule)	16		
17	Total expenses. Add lines 16 and 44, column (A)	17	128,454	
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	240,759	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	469,607	
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	710,366	

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

DAA

Form **990** (2006)

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Part II Statement of

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.)

Functional Expenses

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 \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	25a			
b Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b			
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) (attach schedule)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26			
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28			
29 Payroll taxes	29			
30 Professional fundraising fees	30 68,150			68,150
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33			
34 Telephone	34 815		815	
35 Postage and shipping	35 464		464	
36 Occupancy	36			
37 Equipment rental and maintenance	37			
38 Printing and publications	38 379		379	
39 Travel	39			
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42			
43 Other expenses not covered above (itemize): a SEE STATEMENT 1	43a 58,646	48,048	10,598	
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g	43g			
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 128,454	48,048	12,256	68,150

Joint Costs. Check ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?

▶ ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

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

What is the organization's primary exempt purpose?

► **SEE STATEMENT 2**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses

(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

a RESTORATION AND RENOVATION OF PACKARD PROVING GROUNDS AT
UTICA, MICHIGAN.

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

48,048

b

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

c

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

d

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

f **Total of Program Service Expenses** (should equal line 44, column (B), Program services)

48,048

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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	33,399	45	67,851
	46 Savings and temporary cash investments	10,078	46	100,281
	47a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att schedule)		50b	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54a Investments—publicly-traded securities	Cost FMV	54a	
	b Investments—other securities (attach schedule)	Cost FMV	54b	
	55a Investments-land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b	55c	
	56 Investments-other (attach schedule)		56	
	57a Land, buildings, and equipment: basis	57a 542,755		
b Less: accumulated depreciation (attach schedule) SEE STATEMENT 3	57b 521	426,130	57c	542,234
58 Other assets, including program-related investments (describe ▶)		58		
59 Total assets (must equal line 74). Add lines 45 through 58		469,607	59	710,366
Liabilities	60 Accounts payable and accrued expenses		60	
	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	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ▶)		65	
	66 Total liabilities. Add lines 60 through 65		0	66
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	469,607	67	710,366
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	469,607	73	710,366
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	469,607	74	710,366

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

Instructions			
a	Total revenue, gains, and other support per audited financial statements		a 369,213
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify)	b4	
	Add lines b1 through b4		b
c	Subtract line b from line a		c 369,213
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify)	d2	
	Add lines d1 and d2		d
e	Total revenue (Part I, line 12). Add lines c and d		e 369,213










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

a	Total expenses and losses per audited financial statements		a	128,454
b	Amounts included on line a but not Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	128,454
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	128,454

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 4				

Yes	No
-----	----

		
75b		X
		
75c		X
		
75d		X

Yes	No
-----	----

76		X
77		X
78a		X
78b		
79		X
80a		X
81b		X

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?		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 in Part III)		
82b			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		
83b	N/A		
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
84b	N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
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.		
85a	N/A		
85b	N/A		
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	N/A		
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	N/A		
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		X
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		X
88b			
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0 ; section 4912 0 ; section 4955 0		
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		X
89b			
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89e			
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89f			
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89g			
90a	List the states with which a copy of this return is filed MI		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)		
90b			
91a	The books are in care of BRUCE BLEVINS 9157 TIMBERLINE DRIVE Located at GRAND BLANC, MI	Telephone no. 810-744-1820	ZIP + 4 48439
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 See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
91b			

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
	X

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

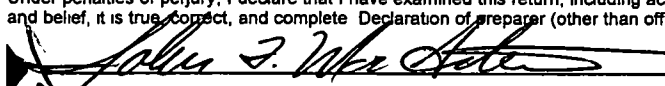
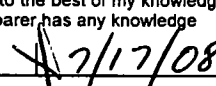
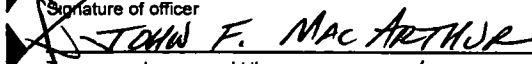
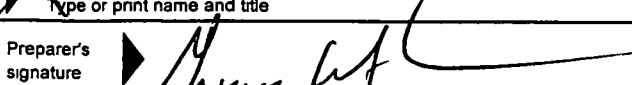
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer ID 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, 2006, 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.			
	 Signature of officer		 Date	
Paid Preparer's Use Only	 Type or print name and title			
	Preparer's signature	 Date 7/16/08	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen Instr X) P00006463
	Firm's name (or yours if self-employed), address, and ZIP + 4	CARABELL, LESLIE & CO. 83 MACOMB PLACE MT. CLEMENS, MI 48043		EIN 38-1998967 Phone no 586-465-6285

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 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

2006Department of the Treasury
Internal Revenue Service**Supplementary Information-(See separate instructions.)**▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

PACKARD MOTOR CAR FOUNDATION

Employer identification number
31-1502101**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) Comp	(d) Contrib to empl ben plans & deferred comp	(e) Expense account & other allowances
NONE				

Total number of other employees paid over \$50,000 ▶

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
NONE		

Total number of others receiving over \$50,000 for professional services ▶

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
NONE		

Total number of other contractors receiving over \$50,000 for other services ▶

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2006

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 ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)		X
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)		
a Sale, exchange, or leasing of property		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
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.)		X
b Did the organization have a section 403(b) annuity plan for its employees?		X
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		X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b Did the organization make any taxable distributions under section 4966?		
c Did the organization make a distribution to a donor, donor advisor, or related person?		
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 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 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 ►					

- 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) 2005	(b) 2004	(c) 2003	(d) 2002	(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 2002 through 2005 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 _____ ▶ **26d**
22 _____ 26b _____ ▶ **26e**

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: N/A

(2005)	(2004)	(2003)	(2002)
--------	--------	--------	--------

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: N/A

(2005)	(2004)	(2003)	(2002)
--------	--------	--------	--------

c Add: Amounts from column (e) for lines: 15 _____ 16 _____ ▶ **27c**
17 _____ 20 _____ 21 _____ ▶ **27d**

d Add: Line 27a total _____ and line 27b total _____ ▶ **27e**

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 2002 through 2005, 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)

		N/A	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 10 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768) N/A

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		
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) 2006	(b) 2005	(c) 2004	(d) 2003	(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.) N/A

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:

- 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.)

Yes	No	Amount

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

Federal Statements

FYE: 12/31/2006

Form 990 - General Footnote**Description**

FORM 990, PART I, LINE 1 IS BEING AMENDED TO CORRECTLY REPORT GROSS CONTRIBUTIONS.

FROM 990, PART II, LINE 42 IS BEING AMENDED TO CORRECTLY REPORT DEPRECIATION EXPENSE

FORM 990, PART II, LINE 43A IS BEING AMENDED TO CORRECTLY REPORT EXPENSES

FORM 990, PART IV, LINE 57A AND 57B ARE BEING AMENDED TO CORRECTLY REPORT MACHINERY AND EQUIPMENT AND ACCUMULATED DEPRECIATION

Federal Statements**Statement 1 - Form 990, Part II, Line 43 - Other Functional Expenses**

<u>Description</u>	<u>Total Expenses</u>	<u>Program Service</u>	<u>Mgt & General</u>	<u>Fund- Raising</u>
	\$	\$	\$	\$
EXPENSES				
ALARM SYSTEM	324		324	
BANK CHARGES	1,923		1,923	
GAS & ELECTRICITY	1,049	1,049		
INSURANCE	12,091	12,091		
MEMBERSHIP FEES	250		250	
MISCELLANEOUS	280		280	
OFFICE SUPPLIES	1,680		1,680	
PROPERTY MAINTENANCE	34,387	34,387		
TAXES & PERMIT FEES	25		25	
DEPRECIATION	521	521		
PROFESSIONAL EXPENSES	6,116		6,116	
TOTAL	<u>\$ 58,646</u>	<u>\$ 48,048</u>	<u>\$ 10,598</u>	<u>\$ 0</u>

Statement 2 - Form 990, Part III - Organization's Primary Exempt Purpose

PRESERVATION OF THE PRODUCTS, HISTORY, AND PROPERTIES OF THE
PACKARD MOTOR CAR COMPANY.

31-1502101

Federal Statements

FYE: 12/31/2006

Statement 3 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Deprec</u>	<u>End of Year</u>	<u>Accum Deprec</u>
LEASEHOLD IMPROVEMENTS	\$ 426,130	\$	\$ 535,468	\$
MACHINERY AND EQUIPMENT			7,287	521
TOTAL	<u>\$ 426,130</u>	<u>\$ 0</u>	<u>\$ 542,755</u>	<u>\$ 521</u>

Federal Statements

Statement 4 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
JOHN F. MACARTHUR 41 BREITMEYER PLACE MT CLEMENS MI 48043	PRESIDENT	10	0	0	0
BUD JUNEAU 2431 FAIRVIEW AVENUE BRENTWOOD CA 94513	VICE PRESIDE	10	0	0	0
BRUCE BLEVINS 9157 TIMBERLINE DR GRAND BLANC MI 48439	TREASURER	10	0	0	0
CHARLES BLACKMAN P.O. BOX 388 MADISON IN 47250	TRUSTEE	10	0	0	0
RICHARD KUGHN 1 MILLRACE CT. DEARBORN MI 48126	TRUSTEE	10	0	0	0
NEAL PORTER 2330 CLARKSTON RD LAKE ORION MI 48362	TRUSTEE	10	0	0	0
BRIAN BURKE 1212 HARRIS RD. WEBSTER NY 14580	SECRETARY	10	0	0	0
DAVID KANE 141 BOULDERWAY DR. BERNARDSVILLE NJ 07924	TRUSTEE	10	0	0	0
GREGORY STACHURA 720 SANDALWOOD CT. CANTON MI 48188	TRUSTEE	10	0	0	0

Federal Statements

Statement 4 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
ROGER GIBB 18 ALGERIA IRVINE CA 92720	TRUSTEE	10	0	0	0
RUSSELL MURPHY 3641 BURNING TREE DR. BLOOMFIELD HILLS MI 48302	TRUSTEE	10	0	0	0
DONALD SOMMER 625 REDWOOD DR. TROY MI 48083	TRUSTEE	10	0	0	0
MARK SMUCKER 51131 PLACID POINTE COURT GRANGER IN 46530	TRUSTEE	10	0	0	0
RICHARD LANGWORTH PO BOX 740 MOUTONBOROUGH NH 03254	TRUSTEE	10	0	0	0
RALPH MARANO 150 SOUTH AVE GARWOOD NJ 07027	TRUSTEE	10	0	0	0

Form **4562**
 Department of the Treasury
 Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2006Attachment
Sequence No **67**

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

Name(s) shown on return

PACKARD MOTOR CAR FOUNDATION

Identifying number

31-1502101

Business or activity to which this form relates

PROGRAM SERVICES

Part I Election To Expense Certain Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount See the instructions for a higher limit for certain businesses	1	108,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	430,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
6			
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2005 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2007 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

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

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

17	MACRS deductions for assets placed in service in tax years beginning before 2006	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B-Assets Placed in Service During 2006 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property		7,287	7.0	HY	MACRS	521
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	521
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2006)

DAA

THERE ARE NO AMOUNTS FOR PAGE 2

THE PACKARD MOTOR CAR FOUNDATION
(a Michigan non-profit corporation)

FINANCIAL STATEMENTS
December 31, 2006

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Packard Motor Car Foundation
Shelby Township, MI 48317

Honorable Members:

We have audited the accompanying Statement of Assets, Liabilities and Net Assets – Modified Cash Basis of

THE PACKARD MOTOR CAR FOUNDATION (a Michigan non-profit corporation)


as of December 31, 2006, and the related Statements of Support, Revenue, Expenses and Changes in Net Assets – Modified Cash Basis, Functional Expenses – Modified Cash Basis and Cash Flows – Modified Cash Basis for the year then ended. These financial statements are the responsibility of The Packard Motor Car Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

To the Board of Directors
The Packard Motor Car Foundation
Page 2

In our opinion, the financial statements referred to above present fairly, in all material respects the Assets, Liabilities and Net Assets of The Packard Motor Car Foundation as of December 31, 2006, and its Changes in Net Assets and its Cash Flows for the year then ended, on the basis of accounting described in Note A.


CARABELL, LESLIE AND COMPANY
Professional Foundation
Certified Public Accountants

July 10, 2008

THE PACKARD MOTOR CAR FOUNDATION
(a Michigan non-profit corporation)

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS –
MODIFIED CASH BASIS
December 31, 2006

ASSETS

Current assets:

Cash and cash equivalents:

Unrestricted	\$123,191	
Temporarily restricted	<u>44,941</u>	<u>\$168,132</u>

Total current assets 168,132

Fixed assets at cost:

Construction in progress	535,468	
Machinery and equipment	<u>7,287</u>	

	542,755	
Less, accumulated depreciation	<u>521</u>	

Net fixed assets 542,234

Total assets \$710,366

LIABILITIES AND NET ASSETS

Liabilities \$ -0-

Net assets:

Unrestricted	\$665,425	
Temporarily restricted (Note A)	<u>44,941</u>	

Total net assets 710,366

Total liabilities and net assets \$710,366

The accompanying notes are an integral part of the financial statements.

THE PACKARD MOTOR CAR FOUNDATION

STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS – MODIFIED CASH BASIS

For the year ended December 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions	\$320,691	\$48,008	\$368,699
Interest income	<u>514</u>	<u> </u>	<u>514</u>
Total support and revenue	<u>321,205</u>	<u>48,008</u>	<u>369,213</u>
Functional expenses:			
Program services	36,449	11,599	48,048
Management and general	12,256		12,256
Fundraising	<u>68,150</u>	<u> </u>	<u>68,150</u>
Total functional expenses	<u>116,855</u>	<u>11,599</u>	<u>128,454</u>
Increase in net assets	204,350	36,409	240,759
Net assets, January 1, 2006	<u>461,075</u>	<u>8,532</u>	<u>469,607</u>
Net assets, December 31, 2006	<u>\$665,425</u>	<u>\$44,941</u>	<u>\$710,366</u>

The accompanying notes are an integral part of the financial statements.

THE PACKARD MOTOR CAR FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS For the year ended December 31, 2006

	<u>Program service</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Expenses:				
Alarm system		\$ 324		\$ 324
Bank charges		1,923		1,923
Consultant			\$60,000	60,000
Depreciation expense	\$ 521			521
Insurance	12,091			12,091
Membership fees		250		250
Miscellaneous		280		280
Office supplies		1,680	8,150	9,830
Permits		25		25
Postage		464		464
Printing		379		379
Professional services		6,116		6,116
Repairs and maintenance	34,387			34,387
Telephone		815		815
Utilities	<u>1,049</u>	<u> </u>	<u> </u>	<u>1,049</u>
Total expenses	<u>\$48,048</u>	<u>\$12,256</u>	<u>\$68,150</u>	<u>\$128,454</u>

The accompanying notes are an integral part of the financial statements.

THE PACKARD MOTOR CAR FOUNDATION
STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS
For the year ended December 31, 2006

Increase in net assets		\$240,759
Adjustments to reconcile change in net assets to net cash provided by operating activities, depreciation	\$ <u>521</u>	<u>521</u>
Net cash provided by operating activities		241,280
Cash flows used in investing activities, capital expenditures	(<u>116,625</u>)	
Net cash used in investing activities		(<u>116,625</u>)
Net increase in cash and cash equivalents		124,655
Cash and cash equivalents at January 1, 2006		<u>43,477</u>
Cash and cash equivalents at December 31, 2006		<u>\$168,132</u>

There were no non-cash investing and financing activities for the year ended December 31, 2006.

The accompanying notes are an integral part of the financial statements

THE PACKARD MOTOR CAR FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

(See Independent Auditor's Report)

NOTE A - Summary of Significant Accounting Policies

Nature of operations and concentration of credit risk - The Packard Motor Car Foundation (the Foundation) was established for the preservation and rehabilitation of the former Packard Motor Car Company proving grounds in Shelby Township, Michigan. The Foundation is funded by donations from the general public and leases the land the proving grounds are located on with options to buy or receive donations of the land from Ford Motor Land Development Corporation. The Foundation spends a majority of its funds maintaining the former Packard Proving Ground. (See Note C.)

Basis of accounting - The accompanying financial statements have been prepared on the modified cash basis of accounting. Under that basis, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. The Foundation also capitalizes as assets fixed asset purchases and records depreciation expense over the estimated useful lives of the underlying assets.

Depreciation and amortization - Fixed assets, including major renewals and improvements, are stated at cost. Depreciation and amortization is provided over the estimated useful lives of the assets using the straight-line method of depreciation. When fixed assets are sold or scrapped, the related costs and accumulated depreciation and amortization are removed from the respective accounts, and any gain or loss on disposition is recognized currently. Maintenance and repairs which do not improve the productive capacity or extend the useful lives of the assets are expensed as incurred. Useful lives for depreciation purposes are as follows:

<u>Category</u>	<u>Useful lives</u>
Machinery and equipment	Seven years

Cash flows - For the purpose of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Foundation places operating capital with high credit quality financial institutions. At times, such investments may be in excess of the FDIC insurance limits.

Use of estimates - The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

THE PACKARD MOTOR CAR FOUNDATION

NOTES TO FINANCIAL STATEMENTS

(continued)

December 31, 2006

(See Independent Auditor's Report)

NOTE A - Summary of Significant Accounting Policies (continued)

Federal Income Taxes - The Foundation qualifies as a non-profit corporation under Internal Revenue Code Section 501(c)(3) and is exempt from federal income tax.

Basis of presentation - The Foundation reports information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Foundation classifies net assets, revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained by the Foundation permanently. The Foundation does not have any permanently restricted net assets as of December 31, 2006.

NOTE B - Supplemental Disclosure of Cash Flow Information

During the year ended December 31, 2006, the Foundation paid cash for items as follows:

	<u>Amount</u>
Interest (net of amount capitalized)	\$ -0-
Income taxes	-0-

THE PACKARD MOTOR CAR FOUNDATION

NOTES TO FINANCIAL STATEMENTS

(continued)

December 31, 2006

(See Independent Auditor's Report)

NOTE C - Leases

The Foundation entered into a lease on May 31, 2002, with Ford Motor Land Development Corporation, for the 13.88 acres of land representing a portion of the former Packard Motor Car Company proving grounds. The initial lease called for annual rental payments as follows:

<u>Date</u>	<u>Amount</u>
May 31, 2003	\$120,000
May 31, 2004	123,600
May 31, 2005	127,308
May 31, 2006	131,127
May 31, 2007	135,061
December 31, 2007	81,150

The annual rental payments may be offset by qualifying third party sub-contract invoices paid by the Foundation and in-kind contributions or donated services providing exterior improvements to the structures on the premises or landscaping enhancements made to the premises. The tenant is responsible for insurance, property taxes and utilities for the leased premises.

The lease was amended December 19, 2003, to split the premises into a 7 acre parcel (Parcel A) and 6.88 acre parcel (Parcel B). The lease called for Parcel A to be separated from the lease and Parcel B to remain covered under the lease. Under the amended lease, the Foundation will receive a donation of Parcel A subject to various deed restrictions which need to be met by December 31, 2007. The agreed-upon donation value of Parcel A is \$1,067,000. The Foundation has also been given an option to purchase Parcel B for \$1,040,000, exercisable at the end of the lease term. The purchase price escalates three per cent per year. The Foundation as of the date of these financial statements and has met the conditions precedent required for the donation of Parcel A. As of the date of these financial statements, the Foundation has negotiated with Ford Motor Land Development Corporation a discounted price for the purchase of Parcel B of \$400,000. The closing for Parcel B is pending as of the date of these financial statements.

THE PACKARD MOTOR CAR FOUNDATION

NOTES TO FINANCIAL STATEMENTS

(continued)

December 31, 2006

(See Independent Auditor's Report)

NOTE D - Concentrations

For the year ended December 31, 2006, one donor represented fifteen per cent of aggregate contributions of the Foundation received for the year.

NOTE E - Donated Services

The Foundation receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 has not been satisfied.