

Return of Organization Exempt From Income Tax

2007

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service(77)

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

A For the 2007 calendar year, or tax year beginning, 2007, and ending

- B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending

C Name of organization: AMERICAN PHILATELIC SOCIETY, 100 MATCH FACTORY PLACE, BELLEFONTE PA 16823

D Employer Identification Number: 24-0772797, E Telephone number: (814) 933-3803, F Accounting method: Accrual

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

- H (a) Is this a group return for affiliates? No, H (b) If 'Yes,' enter number of affiliates, H (c) Are all affiliates included? No, H (d) Is this a separate return filed by an organization covered by a group ruling? No, I Group Exemption Number, M Check if the organization is not required to attach Schedule B

G Web site: WWW.STAMPS.ORG

J Organization type: 501(c) 3

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.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 5,601,073.

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

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, Total. Includes Revenue (Total: 4,430,629), Expenses (Total: 4,456,985), and Net Assets (Total: 1,417,151).

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 *instruct.*)

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 sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) (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 See L-25a Stmt	25a	169,680.	101,808.	67,872.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	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)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	1,272,978.	869,335.	375,282.	28,361.
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28	328,110.	232,261.	91,781.	4,068.
29 Payroll taxes	29	120,552.	81,265.	36,979.	2,308.
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33				
34 Telephone	34				
35 Postage and shipping	35	408,502.	381,339.	27,076.	87.
36 Occupancy	36	120,000.	77,883.	41,038.	1,079.
37 Equipment rental and maintenance	37				
38 Printing and publications	38	387,092.	387,092.	0.	0.
39 Travel	39	102,703.	38,654.	62,682.	1,367.
40 Conferences, conventions, and meetings	40	34,915.	34,915.	0.	0.
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	104,042.	0.	104,042.	0.
43 Other expenses not covered above (itemize):					
a ADVERTISING	43a	190,550.	156,358.	28,171.	6,021.
b INTEROFFICE	43b	-219,309.	307,270.	-480,382.	-46,197.
c MISCELLANEOUS	43c	37,347.	19,201.	18,046.	100.
d OFFICE OTHER	43d	142,827.	66,247.	47,468.	29,112.
e COMPUTER SUPPLIES	43e	59,911.	50,305.	8,604.	1,002.
f INSURANCE	43f	43,014.	41,211.	1,693.	110.
g See Other Expenses Stmt	43g	1,154,071.	673,422.	479,065.	1,584.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	4,456,985.	3,518,566.	909,417.	29,002.

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? EDUCATIONAL SERVICES TO ENHANCE THE ENJOYMENT OF STAMP COLL 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) organizations and 4947(a)(1) trusts; but optional for others.)
a THE APS PROVIDES EDUCATIONAL SERVICES TO HELP INDIVIDUALS OF ALL AGES WHO ARE INTERESTED IN COLLECTING STAMPS, INCLUDING: COLLECTING AND SAFE STORAGE TECHNIQUES; IDENTIFYING THE MANY VARIETIES OF STAMPS AND RELATED POSTAL MATERIAL; DISTINGUISHING THE DIFFERENCES BETWEEN SIMILAR LOOKING STAMPS (INCLUDING FAKES); AND UNDERSTANDING POSTAL HISTORY (INCLUDING MAIL RATES AND (CONTINUED ON ATTACHED SCHEDULE) (Grants and allocations \$ <u>0.</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	3,339,769.
b THE APS EXPERTIZATION SERVICE IS AVAILABLE TO ANY INTERESTED PARTY TO IDENTIFY AND AUTHENTICATE PHILATELIC MATERIAL. THIS SERVICE BENEFITS BOTH SOCIETY MEMBERS AND THE BROADER PHILATELIC COMMUNITY BY PROVIDING PROTECTION AGAINST MISREPRESENTATION OF MATERIALS, AS DOES THE APS'S PARTICIPATION IN THE EBAY STAMP COMMUNITY WATCH PROGRAM AND THE SOCIETY'S COMPLAINT RESOLUTION PROCESS AND ENFORCEMENT OF STRICT ETHICS GUIDELINES FOR ITS MEMBERSHIP. (Grants and allocations \$ <u>0.</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	178,797.
c _____ _____ _____ _____ _____ _____ (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
d _____ _____ _____ _____ _____ _____ (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
e Other program services (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	3,518,566.

BAA

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	1,077,827.	45	1,065,584.
	46 Savings and temporary cash investments	4,489.	46	18,919.
	47a Accounts receivable	47a 307,364.		
	b Less: allowance for doubtful accounts	47b	208,327.	47c 307,364.
	48a Pledges receivable	48a		48c
	b Less: allowance for doubtful accounts	48b		
	49 Grants receivable			49
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50 a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50 b
	51 a Other notes and loans receivable (attach schedule)	L-51a Stmt 51 a 500,000.		
	b Less: allowance for doubtful accounts	51 b		51 c 500,000.
	52 Inventories for sale or use	194,374.	52	156,248.
	53 Prepaid expenses and deferred charges	127,065.	53	114,789.
	54a Investments — publicly-traded securities	L-54a Stmt <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV 2,699,753.	54a	2,346,278.
	b Investments — other securities (attach sch)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b	
55a Investments — land, buildings, & equipment: basis	55a			
b Less: accumulated depreciation (attach schedule)	55b		55c	
56 Investments — other (attach schedule)			56	
57a Land, buildings, and equipment: basis	57a 1,854,300.			
b Less: accumulated depreciation (attach schedule)	L-57 Stmt 57b 1,662,884.	312,182.	57c 191,416.	
58 Other assets, including program-related investments (describe ▶ _____)			58	
59 Total assets (must equal line 74). Add lines 45 through 58		4,624,017.	59	4,700,598.
LIABILITIES	60 Accounts payable and accrued expenses	458,616.	60	305,032.
	61 Grants payable		61	
	62 Deferred revenue	1,284,882.	62	1,551,641.
	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 ▶ <u>See Line 65 Stmt</u>)	1,437,012.	65	1,426,774.
66 Total liabilities. Add lines 60 through 65		3,180,510.	66	3,283,447.
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	1,132,651.	67	959,322.
	68 Temporarily restricted	7,418.	68	7,777.
	69 Permanently restricted	303,438.	69	450,052.
	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)	1,443,507.	73	1,417,151.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		4,624,017.	74

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

a	Total revenue, gains, and other support per audited financial statements	a	4,901,163.
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): <u>DONATIONS FOR RELATED ENTITY (AMERICAN PHILATELIC RESEARCH LIBRARY) FLOWING THROUGH AMERICAN PHILATELIC SOCIETY</u>	b4	391,029.
	Add lines b1 through b4	b	391,029.
c	Subtract line b from line a	c	4,510,134.
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): <u>INVENTORY COST</u>	d2	-79,505.
	Add lines d1 and d2	d	-79,505.
e	Total revenue (Part I, line 12). Add lines c and d	e	4,430,629.

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

a	Total expenses and losses per audited financial statements	a	4,927,519.
b	Amounts included on line a but not on 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): <u>INVENTORY COST</u>	b4	79,505.
	Add lines b1 through b4	b	79,505.
c	Subtract line b from line a	c	4,848,014.
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): <u>DONATIONS FOR RELATED ENTITY (AMERICAN PHILATELIC DONATIONS FOR RELATED ENTITY (AMERICAN PHILATELIC</u>	d2	-391,029.
	Add lines d1 and d2	d	-391,029.
e	Total expenses (Part I, line 17). Add lines c and d	e	4,456,985.

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 and deferred compensation plans	(E) Expense account and other allowances
PETER C. MASTRANGELO 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	EXECUTIVE DIRECTOR 30.00	97,336.	1,812.	0.
KENNETH MARTIN 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	DEPUTY EXECUTIVE D 40.00	56,660.	13,872.	0.
NICHOLAS G. CARTER 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	PRESIDENT 14.00	0.	0.	0.
JANET R. KLUG 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	IMMEDIATE PAST PRE 4.00	0.	0.	0.
STEVEN J. ROD 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	VICE-PRESIDENT 3.00	0.	0.	0.
See List of Officers, Directors, Trustees, & Key Employees Statement				

Part VI Other Information (continued)		Yes	No
82 a	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		
83 a	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 <i>quid pro quo</i> contributions?	X	
84 a	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?		
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	N/A	
	b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	N/A	
	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.		
	c Dues, assessments, and similar amounts from members	85c	N/A
	d Section 162(e) lobbying and political expenditures	85d	N/A
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
	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) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
	b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88a	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	88b	X
89 a	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) organizations. 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		
	e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
	f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
	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?	89g	X
90 a	List the states with which a copy of this return is filed ▶ See States Filed In		
	b Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90b	41
91 a	The books are in care of ▶ RICK A. BANKS, CONTROLLER Telephone number ▶ (814) 933-3813 Located at ▶ 100 MATCH FACTORY PLACE, BELLEFONTE, PA ZIP + 4 ▶ 16823-1367		
	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)?	91b	X
	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.		

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91 c

If 'Yes,' enter the name of the foreign country ▶

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here

and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92

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

	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 MAGAZINE INCOME	323119	577,483.			3,698.
b EXPERTIZING SERVICE					172,961.
c SALES DIVISION					713,128.
d INSURANCE FEES					214,841.
e STAMP SHOW					493,695.
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					1,304,117.
95 Interest on savings & temporary cash invmnts			14	131,087.	
96 Dividends & interest from securities					
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 pers prop					
99 Other investment income			14	33,709.	
100 Gain or (loss) from sales of assets other than inventory			18	120,323.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					49,918.
103 Other revenue: a					
b AFFINITY CARD			15	25,000.	
c MAILING LIST			15	34,993.	
d EDUCATION					50,827.
e See Other Revenue Stmt					238,119.
104 Subtotal (add columns (B), (D), and (E))		577,483.		345,112.	3,241,304.
105 Total (add line 104, columns (B), (D), and (E))					4,163,899.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A-E	PHILATELIC ACTIVITIES WHICH AID MEMBERS IN THE GROWTH AND MAINTENANCE OF PHILATELIC COLLECTIONS AND INFORM THE WORLD ABOUT PHILATELIC INTERESTS
94	DUES FROM MEMBERS PROVIDES CORE FUNDING FOR PROGRAMS
	See Relationship of Activities to the Accomplishment of Exempt Purposes Statement

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

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

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

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

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

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

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

N/A	
Yes	No

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

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

Yes	No

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

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

Yes	No

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?

Please Sign Here

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

▶ _____ Date _____
Signature of officer

▶ **PETER C. MASTRANGELO, EXECUTIVE DIRECTOR**
Type or print name and title.

Paid Preparer's Use Only

Preparer's signature ▶ _____ Date **07/24/08** Check if self-employed

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ **RITCHEY COX HOLLIS MOCK & KLEIN**
315 S ALLEN ST STE 117
STATE COLLEGE PA 16801-4848

EIN ▶ _____ Phone no. ▶ _____

Preparer's SSN or PTIN (See General Instruction X) _____

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Organization Exempt Under
Section 501(c)(3)**

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

Supplementary Information — (See separate instructions.)

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

OMB No. 1545-0047

2007

Name of the organization AMERICAN PHILATELIC SOCIETY	Employer identification number 24-0772797
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See 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 and deferred compensation	(e) Expense account and other allowances
RICK A BANKS 195 CRESTVIEW DR, BELLEFONTE, PA 16823	CONTROLLER 40.00	66,495.	3,565.	0.
BARBARA A BOAL 850 W AARON DRIVE, STATE COLLEGE, PA 16803	EDITOR 40.00	55,386.	3,493.	0.
BRIAN KRASINSKI PO BOX 427 PHILIPSBURG, PA 16866	DIR-INFORMATION SYS 40.00	54,444.	1,656.	0.
A. MERCER BRISTOW 543 EAST HILLSIDE AVEN STATE COLLEGE PA 16803	DIRECTOR OF EXPERTIZING 40.00	52,490.	1,590.	0.
THOMAS W HORN 609 LYNNWOOD PLACE, BOALSBURG, PA 16827	DIRECTOR OF SALES 40.00	53,178.	1,607.	0.
Total number of other employees paid over \$50,000 ▶	NONE			

Part II – A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See 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 ▶	NONE	

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 instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
QUEBECOR PRINTING PO BOX 98668, CHICAGO, IL 60693-8668	PRINTING	467,745.
CONSOLIDATED GRAPH COMMUNICATIONS 1901 MAYVIEW ROAD, PO BOX A, BRIDGEVILLE, PA 15017	MARKETING	151,980.
HEALTH AMERICA PO BOX 6475, CAROL STREAM, IL 60197-6475	HEALTH INSURANCE	200,159.
PARAMOUNT CONVENTION SERVICES, INC. 5015 FYLER AVENUE ST. LOUIS MO 63139	CONVENTION DECORATOR	103,008.
UNITED STATES POSTAL SERVICES BELLEFONTE BELLEFONTE PA 16823	POSTAGE	229,004.
Total number of other contractors receiving over \$50,000 for other services ▶	NONE	

Part III Statements About Activities (See 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.)	1	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?	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?	2e	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.)	3a	X
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	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	3c	X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	X
4a	Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g	4a	X
b	Did the organization make any taxable distributions under section 4966?	4b	
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c	
d	Enter the total number of donor advised funds owned at the end of the tax year ▶ _____		
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____		
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____		2
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year . . . ▶ _____		457,829.

Part IV Reason for Non-Private Foundation Status (See 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 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 instructions.)

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

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

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	550,159.	34,825.	201,952.	39,772.	826,708.
16 Membership fees received	1,319,593.	1,347,287.	1,250,044.	1,297,934.	5,214,858.
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	2,064,175.	1,802,780.	1,982,967.	2,033,258.	7,883,180.
18 Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975	92,463.	81,297.	81,148.	92,319.	347,227.
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 See L-22 Stmt	523,834.	259,303.	176,825.	237,618.	1,197,580.
23 Total of lines 15 through 22	4,550,224.	3,525,492.	3,692,936.	3,700,901.	15,469,553.
24 Line 23 minus line 17	2,486,049.	1,722,712.	1,709,969.	1,667,643.	7,586,373.
25 Enter 1% of line 23	45,502.	35,255.	36,929.	37,009.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶	26a	
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶	26c	
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶	26d	
e Public support (line 26c minus line 26d total) ▶	26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶	26f	%

27 Organizations described on line 12:	
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ 0. (2005) _____ 0. (2004) _____ 0. (2003) _____ 0.	
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ 0. (2005) _____ 0. (2004) _____ 0. (2003) _____ 0.	
c Add: Amounts from column (e) for lines: 15 _____ 826,708. 16 _____ 5,214,858. 17 _____ 7,883,180. 20 _____ 21 _____ ▶	27c 13,924,746.
d Add: Line 27a total _____ 0. and line 27b total _____ 0. ▶	27d 0.
e Public support (line 27c total minus line 27d total) ▶	27e 13,924,746.
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶	27f 15,469,553.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶	27g 90.01 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶	27h 2.24 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See 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 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	41
	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.)

	Lobbying Expenditures During 4 -Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable 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 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		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h .)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
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.

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

2007

For calendar year 2007 or other tax year beginning _____, 2007,
and ending _____, _____

Department of the Treasury
Internal Revenue Service (77)

▶ See separate instructions.

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

A <input type="checkbox"/> Check box if address changed B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408(e) <input type="checkbox"/> 530(a) <input type="checkbox"/> 408A <input type="checkbox"/> 529(a)	Print or Type	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) AMERICAN PHILATELIC SOCIETY Number, street, and room or suite number. If a P.O. box, see instructions. 100 MATCH FACTORY PLACE City or town State ZIP code BELLEFONTE PA 16823	D Employer identification number (Employees' trust, see instructions for Block D.) 24-0772797 E Unrelated business activity codes (See instructions for Block E.) 541800
C Book value of all assets at end of year 4,700,598.	F Group exemption number (See instructions for Block F.) ▶ G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		

H Describe the organization's primary unrelated business activity.
▶ **ADVERTISING**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . ▶ Yes No
If 'Yes,' enter the name and identifying number of the parent corporation . . . ▶

J The books are in care of ▶ **RICK BANKS, CONTROLLER** Telephone number ▶ **(814) 933-3803**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales			
b Less returns and allowances c Balance ▶ 1 c			
2 Cost of goods sold (Schedule A, line 7) 2			
3 Gross profit. Subtract line 2 from line 1c 3			
4 a Capital gain net income (attach Schedule D) 4 a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) 4 b			
c Capital loss deduction for trusts 4 c			
5 Income (loss) from partnerships and S corporations (attach statement) 5			
6 Rent income (Schedule C) 6			
7 Unrelated debt-financed income (Schedule E) 7			
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F) 8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Sch G) 9			
10 Exploited exempt activity income (Schedule I) 10			
11 Advertising income (Schedule J) 11	577,483.	383,893.	193,590.
12 Other income (See instructions; attach schedule.) 12			
13 Total. Combine lines 3 through 12 13	577,483.	383,893.	193,590.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14 Compensation of officers, directors, and trustees (Schedule K)			14
15 Salaries and wages			15
16 Repairs and maintenance			16
17 Bad debts			17
18 Interest (attach schedule)			18
19 Taxes and licenses			19
20 Charitable contributions (See instructions for limitation rules.)			20
21 Depreciation (attach Form 4562)	21		
22 Less depreciation claimed on Schedule A and elsewhere on return	22 a		22 b
23 Depletion			23
24 Contributions to deferred compensation plans			24
25 Employee benefit programs			25
26 Excess exempt expenses (Schedule I)			26
27 Excess readership costs (Schedule J)			27 193,590.
28 Other deductions (attach schedule)			28
29 Total deductions. Add lines 14 through 28			29 193,590.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			30 0.
31 Net operating loss deduction (limited to the amount on line 30)			31
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			32 0.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)			33
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			34 0.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> . See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____ c Income tax on the amount on line 34 ▶ 35c 0.	
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) ▶ 36	
37 Proxy tax. See instructions ▶ 37	
38 Alternative minimum tax 38	
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 0.	

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a	
b Other credits (see instructions) 40b	
c General business credit. Check here and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶ _____ 40c	
d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d	
e Total credits. Add lines 40a through 40d 40e	
41 Subtract line 40e from line 39 41 0.	
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 .. <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) 42	
43 Total tax. Add lines 41 and 42 43 0.	
44a Payments: A 2006 overpayment credited to 2007 44a 0.	
b 2007 estimated tax payments 44b	
c Tax deposited with Form 8868 44c	
d Foreign organizations: Tax paid or withheld at source (see instructions) 44d	
e Backup withholding (see instructions) 44e	
f Other credits and payments: <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total ... ▶ 44g	
45 Total payments. Add lines 44a through 44f 45 0.	
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/> 46	
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed ▶ 47	
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶ 48 0.	
49 Enter the amount of line 48 you want: Credited to 2008 estimated tax ▶ Refunded ▶ 49	

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

1 At any time during the 2007 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here ▶ _____	Yes	No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? ... If YES, see the instructions for other forms the organization may have to file.		X
3 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____		

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

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

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

Signature of officer: _____ Date: _____ Title: **EXECUTIVE DIRECTOR** May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature: _____ Date: **07/24/08** Check if self-employed Preparer's SSN or PTIN: _____
Firm's name (or yours if self-employed), address, and ZIP code: **RITCHEY COX HOLLIS MOCK & KLEIN** EIN: **25-1778066**
315 S ALLEN ST STE 117
STATE COLLEGE PA 16801-4848 Phone no.:

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

1 Description of property		2 Rent received or accrued	3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)		
(1)			
(2)			
(3)			
(4)			
Total		Total	Total deductions. Enter here and on page 1, Part I, line 6, column (B) . . . ▶

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶

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

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach sch)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals ▶		Enter here and on page 1, Part I, line 7, column (A).		Enter here and on page 1, Part I, line 7, column (B).

Total dividends-received deductions included in column 8 ▶

Schedule F – Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations				
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5	
(1)						
(2)						
(3)						
(4)						
Nonexempt Controlled Organizations		7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)						
(2)						
(3)						
(4)						
Totals ▶				Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, part I, line 8, column (B).	

Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

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

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

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

Schedule J – Advertising Income (See instructions.)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (column 2 minus column 3). If a gain, compute columns 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1) AMERICAN PHILATELIST	577,483.	383,893.		321,396.	575,839.	
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	577,483.	383,893.	193,590.	321,396.	575,839.	193,590.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	577,483.	383,893.				193,590.
Totals , Part II (lines 1-5)	577,483.	383,893.				193,590.

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

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	

Total. Enter here and on page 1, Part II, line 14

Name as Shown on Return
AMERICAN PHILATELIC SOCIETY

Employer Identification No.
24-0772797

Compensation

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
PETER C. MASTRANGELO	<input type="checkbox"/>	97,336.	58,402.	38,934.	0.
KENNETH MARTIN	<input type="checkbox"/>	56,660.	33,996.	22,664.	0.
NICHOLAS G. CARTER	<input type="checkbox"/>	0.			
JANET R. KLUG	<input type="checkbox"/>	0.			
See Compensation					
Total Compensation Received		153,996.	92,398.	61,598.	0.

Contributions to Employee Benefit Plans & Deferred Compensation Plans

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
PETER C. MASTRANGELO	<input type="checkbox"/>	1,812.	1,087.	725.	0.
KENNETH MARTIN	<input type="checkbox"/>	13,872.	8,323.	5,549.	0.
NICHOLAS G. CARTER	<input type="checkbox"/>	0.			
JANET R. KLUG	<input type="checkbox"/>	0.			
See Employee Benefit Plans & Deferred Compensation Plans					
Total Contributions to Employee Benefit Plans & Deferred Compensation Plans		15,684.	9,410.	6,274.	0.

Expense Account and Other Allowances

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
PETER C. MASTRANGELO	<input type="checkbox"/>	0.			
KENNETH MARTIN	<input type="checkbox"/>	0.			
NICHOLAS G. CARTER	<input type="checkbox"/>	0.			
JANET R. KLUG	<input type="checkbox"/>	0.			
See Expense Account and Other Allowances					
Total Expense Account and Other Allowances		0.			
Total to Part II, Line 25a ... ▶		169,680.	101,808.	67,872.	0.

Additional Information

PAGE 3, PART III a (CONTINUED)

ROUTES AND THE DEVELOPMENT OF POSTAL SERVICES).

SERVICES ARE PROVIDED THROUGH WORKSHOPS AND SEMINARS, CORRESPONDENCE COURSES, PRINTED MATERIALS (INCLUDING BOOKS AND A FULL-COLOR MONTHLY MAGAZINE), SLIDE AND VIDEO PROGRAMS, AN ACTIVE WEBSITE, AND A MENTOR PROGRAM. MEMBER BENEFITS INCLUDE: A MONTHLY MAGAZINE (THE AMERICAN PHILATELIST); RESEARCH ASSISTANCE; PHOTOCOPIES AND LENDING OF LIBRARY MATERIALS; ASSISTANCE IN BUYING AND SELLING OF PHILATELIC MATERIAL; TRANSLATION SERVICES; ASSISTANCE WITH THEFT RECOVERY; A SPECIALLY DESIGNED INSURANCE PROGRAM; AND DISCOUNTS ON PHILATELIC PUBLICATIONS AND SUPPLIES.

THE APS ALSO PROVIDES TARGETED ASSISTANCE TO LOCAL CLUBS (CHAPTERS) AND NATIONAL SPECIALTY SOCIETIES (AFFILIATES) TO HELP THEM BETTER SERVE THEIR MEMBERS AND PROMOTE THE HOBBY OF PHILATELY.

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Other expenses not covered above (itemize):				
PROFESSIONAL SERVICES	59,818.	21,376.	38,442.	0.
LOSS CLAIMS	36,481.	36,481.	0.	0.
STAMP SHOW	409,156.	409,156.	0.	0.
CREDIT CARD COSTS	85,420.	71,625.	12,211.	1,584.
COLLECTION	106,018.	11,283.	94,735.	0.
CONTRIBUTION	387,304.	179,759.	207,545.	0.
WRITE-OFF OF WEBSITE DEVELOPM	126,132.	0.	126,132.	0.
TRANSFERS	-56,258.	-56,258.	0.	0.
Total	<u>1,154,071.</u>	<u>673,422.</u>	<u>479,065.</u>	<u>1,584.</u>

Form 990, Page 5, Part V-A

List of Officers, Directors, Trustees, & Key Employees Statement

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
Business ... <input type="checkbox"/> Person ... <input type="checkbox"/> WADE E. SAADI 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	VICE-PRESIDENT 3.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input type="checkbox"/> DAVID L. STRAIGHT 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	VICE PRESIDENT 5.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input type="checkbox"/> WAYNE YOUNGBLOOD 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	SECRETARY 3.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input type="checkbox"/> W. DANFORTH WALKER 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	TREASURER 8.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input type="checkbox"/> MICHAEL D. DIXON 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	DIRECTOR 2.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input type="checkbox"/> JOANN LENZ 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	DIRECTOR 2.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input type="checkbox"/> ROBERT P. ODENWELLER 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	DIRECTOR 3.00	0.	0.	0.

Form 990, Page 5, Part V-A

Continued

List of Officers, Directors, Trustees, & Key Employees Statement

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
Business <input type="checkbox"/> Person <input type="checkbox"/> DENISE L. STOTTS 100 MATCH FACTORY PLACE BELLEFONTE, PA 16823	DIRECTOR 2.00	0.	0.	0.

Form 990, Part VI, Page 7, Line 90a
States Filed In

Pennsylvania

Form 990, Page 8, Part VII, Line 103
Other Revenue Stmt

Other revenue:	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusn code	(D) Amount	
MISCELLANEOUS					30,574.
PERSONNEL SERVICES FEE					207,545.
Total					<u>238,119.</u>

Form 990, Page 8, Part VIII

Relationship of Activities to the Accomplishment of Exempt Purposes Statement

Line Number ▼	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).
102	SALES OF PHILATELIC-RELATED ITEMS - BOOKS, MEDALS, ETC.; THE INCOME FROM WHICH IS USED FOR PROGRAMS
103C-E	EDUCATIONAL AND OTHER RELATED SERVICES WHICH AID MEMBERS IN THE GROWTH AND MAINTENANCE OF PHILATELIC COLLECTIONS

Form 990, Page 1, Part I, Line 10

Gross Sales of Inventory Statement

Description	Gross Sales Less: Returns and Allowances	Less: Cost of Goods Sold	Gross Profit (Loss)
PHILATELIC RELATED ITEMS-BOOKS, STAMP MOUNTS, SPEC	129,423.	79,505.	49,918.

Form 990, Page 1, Part I, Line 10

Continued

Gross Sales of Inventory Statement

Description	Gross Sales Less: Returns and Allowances	Less: Cost of Goods Sold	Gross Profit (Loss)
Total	<u>129,423.</u>	<u>79,505.</u>	<u>49,918.</u>

Form 990, Part II, Line 25a

Compensation

Compensation

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
STEVEN J. ROD		0.			
WADE E. SAADI		0.			
DAVID L. STRAIGHT		0.			
WAYNE YOUNGBLOOD		0.			
W. DANFORTH WALKER		0.			
MICHAEL D. DIXON		0.			
JOANN LENZ		0.			
ROBERT P. ODENWELLER		0.			
DENISE L. STOTTS		0.			
Total		<u>0.</u>			

Form 990, Part II, Line 25a

Employee Benefit Plans & Deferred Compensation Plans

Contributions to Employee Benefit Plans & Deferred Compensation Plans

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
STEVEN J. ROD		0.			
WADE E. SAADI		0.			
DAVID L. STRAIGHT		0.			
WAYNE YOUNGBLOOD		0.			
W. DANFORTH WALKER		0.			
MICHAEL D. DIXON		0.			
JOANN LENZ		0.			
ROBERT P. ODENWELLER		0.			
DENISE L. STOTTS		0.			
Total		<u>0.</u>			

Form 990, Part II, Line 25a

Expense Account and Other Allowances**Expense Account and Other Allowances**

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
STEVEN J. ROD		0.			
WADE E. SAADI		0.			
DAVID L. STRAIGHT		0.			
WAYNE YOUNGBLOOD		0.			
W. DANFORTH WALKER		0.			
MICHAEL D. DIXON		0.			
JOANN LENZ		0.			
ROBERT P. ODENWELLER		0.			
DENISE L. STOTTS		0.			
Total		<u>0.</u>			

Form 990, Page 4, Part IV, Line 51a

Other Notes and Loans Receivable

Description	Amount
DUE FROM APRL	500,000.
Total	<u>500,000.</u>

Form 990, Page 4, Part IV, Line 54a

Investments - Publicly-Traded Securities Statement

Description	Cost or FMV	Beginning of Year	End of Year
INVESTMENTS	Cost	2,699,753.	2,346,278.
Total		<u>2,699,753.</u>	<u>2,346,278.</u>

Form 990, Page 4, Part IV, Lines 57a & 57b

Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
OFFICE FURNITURE AND EQUIPMENT	1,782,373.	1,620,023.	162,350.
AUTOMOTIVE EQUIPMENT	26,589.	7,977.	18,612.
LEASEHOLD IMPROVEMENTS	45,338.	34,884.	10,454.
Total	<u>1,854,300.</u>	<u>1,662,884.</u>	<u>191,416.</u>

Form 990, Page 4, Part IV, Line 65

Other Liabilities Statement

Line 65 - Other Liabilities:	Beginning of Year	End of Year
STAMPS ON CONSIGNMENT	<u>1,437,012.</u>	<u>1,426,774.</u>
Total	<u><u>1,437,012.</u></u>	<u><u>1,426,774.</u></u>

Schedule A, Part IV-A, Line 22

Other Income

Description	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
REALIZED GAIN (LOSS) ON	<u>10,886.</u>	<u>-2,348.</u>	<u>13,779.</u>	<u>34,403.</u>	<u>56,720.</u>
UNREALIZED LOSS ON INVE	<u>63,990.</u>	<u>38,941.</u>	<u>-25,686.</u>	<u>75,562.</u>	<u>152,807.</u>
GROSS PROFIT ON INVENTO	<u>64,964.</u>	<u>39,106.</u>	<u>26,571.</u>	<u>21,591.</u>	<u>152,232.</u>
OTHER REVENUE	<u>383,994.</u>	<u>183,604.</u>	<u>162,161.</u>	<u>106,062.</u>	<u>835,821.</u>
Total	<u><u>523,834.</u></u>	<u><u>259,303.</u></u>	<u><u>176,825.</u></u>	<u><u>237,618.</u></u>	<u><u>1,197,580.</u></u>