

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)

2005

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the **2005** calendar year, or tax year beginning **6/1/2005**, 2005, and ending **5/31/2006**, 20

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization WILLAMETTE UNIVERSITY	D Employer identification number 93 : 0386972
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 900 State Street	E Telephone number (503) 370-6985
		City or town, state or country, and ZIP + 4 Salem, OR 97301	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶

G Website: ▶ www.willamette.edu

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

K Check here ▶ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **232,058,117**

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? Yes No (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶

M Check ▶ if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

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

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	10,736,385		
	b Indirect public support	1b	0		
	c Government contributions (grants)	1c	1,381,980		
	d Total (add lines 1a through 1c) (cash \$ 8,252,583 noncash \$ 3,865,782)	1d			12,118,365
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			77,380,828
	3 Membership dues and assessments	3			0
	4 Interest on savings and temporary cash investments	4			651,646
	5 Dividends and interest from securities	5			3,279,470
	6a Gross rents	6a	0		
	b Less: rental expenses	6b	0		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c			0
7 Other investment income (describe ▶)	7			0	
Revenue	8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
		137,297,000	8a	0	
	b Less: cost or other basis and sales expenses	117,215,731	8b	0	
	c Gain or (loss) (attach schedule) Stmt 1	20,081,269	8c	0	
	d Net gain or (loss) (combine line 8c, columns (A) and (B))		8d		20,081,269
	9 Special events and activities (attach schedule). If any amount is from gaming, check here ▶ <input type="checkbox"/>				
	a Gross revenue (not including \$ 0 of contributions reported on line 1a)	9a	0		
	b Less: direct expenses other than fundraising expenses	9b	0		
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c			0	
Revenue	10a Gross sales of inventory, less returns and allowances	10a	0		
	b Less: cost of goods sold	10b	0		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			0
11 Other revenue (from Part VII, line 103)	11			1,330,808	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			114,842,386	
Expenses	13 Program services (from line 44, column (B))	13			94,302,188
	14 Management and general (from line 44, column (C))	14			2,029,506
	15 Fundraising (from line 44, column (D))	15			2,705,000
	16 Payments to affiliates (attach schedule)	16			0
	17 Total expenses (add lines 16 and 44, column (A))	17			99,036,694
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18			15,805,692
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			314,684,206
	20 Other changes in net assets or fund balances (attach explanation) Stmt 2	20			3,742,890
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			334,232,788

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) Stmt 3 (cash \$ <u>28,279,230</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	22	28,279,230	28,279,230	
23	Specific assistance to individuals (attach schedule)	23	0	0	
24	Benefits paid to or for members (attach schedule)	24	0	0	
25	Compensation of officers, directors, etc.	25	0	0	0
26	Other salaries and wages	26	33,180,360	30,848,907	1,426,780
27	Pension plan contributions	27	2,912,004	2,707,389	125,218
28	Other employee benefits	28	4,520,899	4,203,233	194,402
29	Payroll taxes	29	2,423,697	2,253,393	104,221
30	Professional fundraising fees	30	0	0	0
31	Accounting fees	31	72,111	72,111	0
32	Legal fees	32	30,522	30,522	0
33	Supplies	33	1,086,439	1,016,439	32,467
34	Telephone	34	257,196	235,513	6,877
35	Postage and shipping	35	318,942	216,260	21,295
36	Occupancy	36	0	0	0
37	Equipment rental and maintenance	37	400,301	396,274	666
38	Printing and publications	38	928,049	818,367	12,651
39	Travel	39	1,870,003	1,578,343	104,929
40	Conferences, conventions, and meetings	40	0	0	0
41	Interest	41	927,022	927,022	0
42	Depreciation, depletion, etc. (attach schedule)	42	3,993,421	3,993,421	0
43	Other expenses not covered above (itemize):				
a	See Statement 5	43a	17,836,498	16,725,764	1,110,734
b		43b			
c		43c			
d		43d			
e		43e			
f		43f			
g		43g			
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	99,036,694	94,302,188	2,029,506

Stmt 4

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? ► <u>Higher education</u>	Program Service Expenses
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.)	(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a <u>See Statement 6</u> (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
b (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services). . . . ►	94,302,188

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)		(B)
		Beginning of year		End of year
Assets	45 Cash—non-interest-bearing	20,009,571	45	19,418,894
	46 Savings and temporary cash investments	0	46	0
	47a Accounts receivable	1,975,378		
	b Less: allowance for doubtful accounts	295,268	47c	1,680,110
	48a Pledges receivable	5,146,549		
	b Less: allowance for doubtful accounts	164,305	48c	4,982,244
	49 Grants receivable	0	49	0
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)	0	50	0
	51a Other notes and loans receivable (attach schedule) See Statement 7	9,508,951		
	b Less: allowance for doubtful accounts	74,592	51c	9,434,359
	52 Inventories for sale or use	0	52	0
	53 Prepaid expenses and deferred charges	1,482,176	53	1,118,903
	54 Investments—securities (attach schedule) Stmt 8 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	228,767,337	54	254,967,511
	Liabilities	55a Investments—land, buildings, and equipment: basis	0	
b Less: accumulated depreciation (attach schedule)		0	55c	0
56 Investments—other (attach schedule) Stmt 9		1,349,126	56	1,578,553
57a Land, buildings, and equipment: basis		157,566,942		
b Less: accumulated depreciation (attach schedule) Stmt 10		54,044,000	57c	103,522,942
58 Other assets (describe ▶)		0	58	0
59 Total assets (must equal line 74). Add lines 45 through 58.		358,964,435	59	396,703,516
60 Accounts payable and accrued expenses		10,692,312	60	13,819,573
61 Grants payable		0	61	0
62 Deferred revenue		959,787	62	1,294,522
Net Assets or Fund Balances	63 Loans from officers, directors, trustees, and key employees (attach schedule)	0	63	0
	64a Tax-exempt bond liabilities (attach schedule) See Statement 11	15,230,336	64a	28,075,320
	b Mortgages and other notes payable (attach schedule) Stmt 12	3,495,263	64b	4,801,972
	65 Other liabilities (describe ▶ See Statement 13)	13,902,531	65	14,479,341
	66 Total liabilities . Add lines 60 through 65	44,280,229	66	62,470,728
	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	92,618,675	67	174,153,881
68 Temporarily restricted	127,339,296	68	58,207,290	
69 Permanently restricted	94,726,235	69	101,871,617	
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; column (B) must equal line 21)	314,684,206	73	334,232,788	
74 Total liabilities and net assets/fund balances . Add lines 66 and 73.	358,964,435	74	396,703,516	

Part VI Other Information <i>(continued)</i>		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?		✓
	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?		
	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	✓	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		✓
	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84b		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
	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.		
	c Dues, assessments, and similar amounts from members	85c	
	d Section 162(e) lobbying and political expenditures	85d	
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
	b Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	✓
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	89b	✓
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed ▶ <u>None</u>		
	b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	90b	1587
91a	The books are in care of ▶ <u>Robert N Olson</u> Telephone no. ▶ <u>503-370-6985</u> Located at ▶ <u>900 State Street, Salem, OR</u> ZIP + 4 ▶ <u>97301</u>		
	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	✓
	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.	91c	✓
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	<input type="checkbox"/>

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a tuition and fees					66,402,502
b room and board					8,273,564
c auxiliary enterprises					2,704,762
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	651,646	
96 Dividends and interest from securities			14	3,279,470	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	20,081,269	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a other income			03	678,854	
b adjustment related to annuities and trusts			14	651,954	
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0		25,343,193	\$77,380,828
105 Total (add line 104, columns (B), (D), and (E))					102,724,021

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	See Statement 17

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

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

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

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 - (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
- Note:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

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.

Please Sign Here

Signature of officer: Jeffrey Eisenbarth, VP for Finance/Treas Date: _____

Type or print name and title.

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: _____ Preparer's SSN or PTIN (See Gen. Inst. W): _____

EIN: _____ Phone no.: _____

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

Supplementary Information—(See separate instructions.)

OMB No. 1545-0047

2005

Department of the Treasury
Internal Revenue Service

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

Name of the organization

WILLAMETTE UNIVERSITY

Employer identification number

93 0386972

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Symeon Symeonides 900 State Street, Salem, OR 97301, US	Dean of Law School 40	231,510	41,234	8,400
Jim Goodrich 900 State Street, Salem, OR 97301, US	Dean Atkinson School 40	202,842	38,132	0
Ron Korvas 900 State Street, Salem, OR 97301, US	Vice President 40	168,480	33,848	0
Carol Long 900 State Street, Salem, OR 97301, US	Dean Col Lib Arts 40	161,120	31,068	0
Peter Letsou 900 State Street, Salem, OR 97301, US	Prof. College of Law 40	151,000	31,112	0
Total number of other employees paid over \$50,000 ▶	249			

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
Zimmer Gunsul Frasca 320 SW Oak 500, Portland, OR 97204, US	Architects	857,575
KPMG LLC PO Box 120001, Dallas, TX 75312-0771, US	Audit	72,000
Leland Johnson 2775 SW Vale Ct, Lake Oswego, OR 97034, US	Alumni data coordin.	67,856
Steven Barclay Agency 12 Western Ave, Petaluma, CA 94952, US	Speakers agency	60,000
Total number of others receiving over \$50,000 for professional services ▶	0	

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
LCG Pence LLC PO Box 4109, Salem, OR 97302-8109, US	Construction	1,928,865
SNL Design 2451 Crestmont Circles, Salem, OR 97302, US	Interior designers	175,038
MV Weyden Construction Co 1932 Wallace Rd NW, Salem, OR 97304, US	Construction	154,157
Taylor Made Construction 3397 Homestead Rd S, Salem, OR 97302, US	Construction	65,632
Thomas Wetzler 15910 May Road, Dallas, OR 97338, US	Construction	52,009
Total number of other contractors receiving over \$50,000 for other services ▶	0	

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)		✓
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) See Statement 18		
a Sale, exchange, or leasing of property?		✓
b Lending of money or other extension of credit?	✓	
c Furnishing of goods, services, or facilities?		✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	✓	
e Transfer of any part of its income or assets?		✓
3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) Stmnt 19	✓	
b Do you have a section 403(b) annuity plan for your employees?	✓	
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		✓
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		✓
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		✓

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5** A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6** A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 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 supports organizations described in: **(1)** lines 5 through 12 above; or **(2)** sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: Type 1 Type 2 Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

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

- 14** An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 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) 2004	(b) 2003	(c) 2002	(d) 2001	(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 2001 through 2004 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:

(2004) _____ (2003) _____ (2002) _____ (2001) _____

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:

(2004) _____ (2003) _____ (2002) _____ (2001) _____

c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶	27c	
d Add: Line 27a total, _____ and line 27b total ▶	27d	
e Public support (line 27c total minus line 27d total) ▶	27e	
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) . . ▶	27f	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶	27g	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) . ▶	27h	%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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 7 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	✓	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	✓	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) <u>See Statement 20</u>	✓	
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. Stmt 21		✓
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 9 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table—		
	If the amount on line 40 is— The lobbying nontaxable amount is—		
	Not over \$500,000 20% of the amount on line 40		
	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 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ►	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(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 11 of the instructions.)

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

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

Statement 1

Form: 990

Page: 1

Part: I

Question: 8

WILLAMETTE UNIVERSITY

93-0386972

Sales of Assets Other than Inventory

Publicly Traded Securities

Description:

Sold To:

Sales Price: \$137,297,000.00

Date Sold:

Expense of Sale: \$0.00

Date acquired:

Cost or value when acquired: \$117,215,731.00

How acquired:

Depreciation since acquisition: \$0.00

Net Sale: **\$20,081,269.00**

Statement 2

Form: 990

Page: 1

Part: I

Question: 20

WILLAMETTE UNIVERSITY

93-0386972

Other changes in Net Assets or Fund Balances

Explanation	Amount
Unrealized net gains	\$3,742,890.00
Total:	\$3,742,890.00

Statement 3

Form: 990

Page: 2

Part: II

Question: 22

WILLAMETTE UNIVERSITY

93-0386972

Grants and Allocations

Date:

Type:

Number of individuals:

Grant Amount

Classification

Relationship:

Description of Property:

Cash

\$28,279,230.00

Scholarships

students

Name and Address:

Financial Aid Awards

900 State St

Salem, OR 97301

United States

How Determined

Book Value of Property:

FMV of Property:

Total Grants:

\$28,279,230.00

Statement 4

Form: 990

Page: 2

Part: II

Question: 42

WILLAMETTE UNIVERSITY

93-0386972

Depreciation and Depletion

Asset	Current Deprec.
Plant facilitie	\$3,993,421.00
Total	\$3,993,421.00

Statement 5

Form: 990

Page: 2

Part: II

Question: 43

WILLAMETTE UNIVERSITY**93-0386972****Attachment listing other expenses for Part II**

Description	Total:	Pgm Services	Mgt and General	Fundraising
Utilities	\$1,941,973.00	\$1,941,973.00	\$0.00	\$0.00
Software and Computer Licenses	\$241,997.00	\$241,997.00	\$0.00	\$0.00
Food Service	\$1,851,125.00	\$1,851,125.00	\$0.00	\$0.00
Athletics	\$391,613.00	\$391,613.00	\$0.00	\$0.00
Programming	\$3,957,646.00	\$2,846,912.00	\$0.00	\$1,110,734.00
Leases	\$73,484.00	\$73,484.00	\$0.00	\$0.00
Study Abroad Programs	\$1,691,225.00	\$1,691,225.00	\$0.00	\$0.00
Designated expenses	\$3,819,839.00	\$3,819,839.00	\$0.00	\$0.00
Insurance	\$358,577.00	\$358,577.00	\$0.00	\$0.00
Contracted Services	\$333,422.00	\$333,422.00	\$0.00	\$0.00
Restricted expenses	\$1,404,734.00	\$1,404,734.00	\$0.00	\$0.00
Bookstore	\$1,577,416.00	\$1,577,416.00	\$0.00	\$0.00
Furniture and Equipment	\$193,447.00	\$193,447.00	\$0.00	\$0.00
Total:	\$17,836,498.00	\$16,725,764.00	\$0.00	\$1,110,734.00

Statement 6

Form: 990

Page: 3

Part: III

Question:

WILLAMETTE UNIVERSITY**93-0386972****Program Services**

Achievement	Pgm. Svc. Exp.
Higher Education: Research for faculty and students. (2450 students)	\$930,626.00
Grants and Allocations: \$0.00	
Higher Education: Student Services: Includes the offices of Financial Aid, Registrar, Counseling, Health Center and Athletics. (2450 students)	\$7,806,204.00
Grants and Allocations: \$0.00	
Higher Education: Financial aid is offered for need and merit purposes. (2450 students)	\$28,279,230.00
Grants and Allocations: \$28,279,230.00	
Higher Education: Academic Support: Libraries at the College of Liberal Arts and the Law School. Also includes academic computer services, as well as the Deans offices. (2450 students)	\$13,088,731.00
Grants and Allocations: \$0.00	
Higher Education: General Institutional Support - These offices include the fund raising and alumni offices, the Presidents office, the business office, and various other campus support offices. (2450 students)	\$4,584,573.00
Grants and Allocations: \$0.00	
Higher Education: Auxiliary functions - Includes room and board (for 1250 students), bookstore, and summer conferences. (2450 students)	\$8,929,453.00
Grants and Allocations: \$0.00	
Higher Education: Instruction: 1800 students in CLA, 400 students in Law, 150 in MBA programs and 100 in MAT. (2450 students)	\$30,683,371.00
Grants and Allocations: \$0.00	
Total:	\$94,302,188.00

Statement 7

Form: 990

Page: 4

Part: IV

Question: 51C

WILLAMETTE UNIVERSITY

93-0386972

Schedule of Other Notes and Loans Receivable

Borrower's Name:	Student loans receivable
Borrower's Title:	
Original Amount:	\$30,107,579.00
Balance Due:	\$7,856,456.00
Date of Note:	
Maturity Date:	
Repayment Terms:	
Interest Rate:	
Security Provided by Borrower:	
Purpose of Loan:	
Description of Consideration:	
FMV of Consideration:	
Relationship of Borrower/Lender:	

Borrower's Name:	Other Assets
Borrower's Title:	
Original Amount:	\$1,652,495.00
Balance Due:	\$1,652,495.00
Date of Note:	
Maturity Date:	
Repayment Terms:	
Interest Rate:	
Security Provided by Borrower:	
Purpose of Loan:	
Description of Consideration:	
FMV of Consideration:	
Relationship of Borrower/Lender:	

Total Due:	\$9,508,951.00
-------------------	-----------------------

Statement 8

Form: 990

Page: 4

Part: IV

Question: 54

WILLAMETTE UNIVERSITY**93-0386972****Investments - Securities**

Security	Valuation Type	Amount
Land held for resale	FMV	\$3,222,000.00
Short term investments	FMV	\$8,003,240.00
Corporate stocks	FMV	\$125,426,000.00
Private equity, venture capital	FMV	\$32,525,000.00
Bonds and notes	FMV	\$48,218,000.00
Perpetual trusts	FMV	\$2,364,538.00
Interest and dividends receivable	FMV	\$100,733.00
Hedge funds	FMV	\$35,108,000.00
Total:		\$254,967,511.00

Statement 9

Form: 990

Page: 4

Part: IV

Question: 56

WILLAMETTE UNIVERSITY

93-0386972

Other Investments

Investment	Valuation Type	Amount
Remainder trusts held by others	FMV	\$1,578,553.00
Total:		\$1,578,553.00

Statement 10

Form: 990

Page: 4

Part: IV

Question: 57

WILLAMETTE UNIVERSITY

93-0386972

Schedule of Land, Buildings and Equipment

Description	Cost	Depreciation	Book Value
Plant facilities	\$157,566,942.00	\$54,044,000.00	\$103,522,942.00
Total:	\$157,566,942.00	\$54,044,000.00	\$103,522,942.00

Statement 11

Form: 990

Page: 4

Part: IV

Question: 64a

WILLAMETTE UNIVERSITY**93-0386972****Tax Exempt Bond Liabilities**

Purpose:	Refund outstanding bonds and addl projects	
Issue Date:	06/16/2004	
Original Amount:	\$15,235,692.00	
Form Filed:	none	
Retired:	No	
Completion Date of Project:	08/01/2006	
Amount of issue outstanding:	\$14,534,980.00	
Unexpended Proceeds:	\$0.00	
Facility used by 3rd Party:	No	
Percent used by 3rd Party:		
Obligation is a Mortgage:	No	
Maturity Date:		
Repayment Terms:		
Interest Rate:		
Security Provided by Borrower:		
Contingent Liability:	No	<i>If 'Yes', this record will not be included in the total returned to the Form 990:</i>

Purpose:	New residential commons and other facility upgrade	
Issue Date:	08/01/2005	
Original Amount:	\$13,558,973.00	
Form Filed:	none	
Retired:	No	
Completion Date of Project:	04/02/2007	
Amount of issue outstanding:	\$13,540,340.00	
Unexpended Proceeds:	\$0.00	
Facility used by 3rd Party:	No	
Percent used by 3rd Party:		
Obligation is a Mortgage:	No	
Maturity Date:		
Repayment Terms:		
Interest Rate:		
Security Provided by Borrower:		
Contingent Liability:	No	<i>If 'Yes', this record will not be included in the total returned to the Form 990:</i>

Total Due:	\$28,075,320.00
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Statement 12

Form: 990

Page: 4

Part: IV

Question: 64b

WILLAMETTE UNIVERSITY**93-0386972****Mortgages and Other Notes Payable**

Type:	Non-Mortgage
Lender's Name:	US Bank
Original Amount:	\$4,533,685.00
Balance Due:	\$4,533,685.00
Date of Note:	05/19/2006
Maturity Date:	05/01/2007
Repayment Terms:	In full
Interest Rate:	5.5
Security Provided by Borrower:	none
Purpose of Loan:	Line of credit
Description of Consideration:	none
FMV of Consideration:	\$0.00
Relationship:	none

Type:	Non-Mortgage
Lender's Name:	Mahoney & DeLynn
Original Amount:	\$295,269.00
Balance Due:	\$268,287.00
Date of Note:	10/04/2004
Maturity Date:	10/01/2007
Repayment Terms:	Monthly
Interest Rate:	6
Security Provided by Borrower:	property
Purpose of Loan:	purchase property
Description of Consideration:	property
FMV of Consideration:	\$0.00
Relationship:	friends

Total Due:	\$4,801,972.00
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Statement 13

Form: 990

Page: 4

Part: IV

Question: 65

WILLAMETTE UNIVERSITY**93-0386972****Other Liabilities**

Liability Description	BOY Amount	EOY Amount
Asset retirement obligations	\$0.00	\$225,209.00
US Govt loan advances, refundable	\$6,476,119.00	\$6,557,184.00
Annuity and trusts payable	\$7,426,412.00	\$7,696,948.00
Total:	\$13,902,531.00	\$14,479,341.00

Statement 14

Form: 990

Page: 5

Part: IV-A

Question: d(2)

WILLAMETTE UNIVERSITY

93-0386972

Revenue Audit Line d(2)

Description	Amount
Student financial aid	\$28,279,230.00
Total:	\$28,279,230.00

Statement 15

Form: 990

Page: 5

Part: IV-B

Question: d(2)

WILLAMETTE UNIVERSITY

93-0386972

Expense Audit Line d(2)

Description	Amount
Student financial aid	\$28,279,228.00
Total:	\$28,279,228.00

Statement 16

Form: 990

Page: 5

Part: V

Question:

WILLAMETTE UNIVERSITY**93-0386972****Officers, Directors, Trustees, and Key Employees**

Name and Address	Title	Hrs	Comp.	Benefits	Expenses
Robert Packard 3313 SW Fairmount Blvd Portland, OR 97239 United States	Chairman	5	\$0.00	\$0.00	\$0.00
Steven Wynne 2575 SW Montgomery Drive Portland, OR 97201 United States	Vice Chairman	5	\$0.00	\$0.00	\$0.00
Jonathan Carder 21 Juarez Street Lake Oswego, OR 97035 United States	Secretary	5	\$0.00	\$0.00	\$0.00
M Lee Pelton 900 State Street Salem, OR 97301 United States	President	40	\$255,400.00	\$39,005.00	\$49,000.00
Jeffrey G Eisenbarth 900 State Street Salem, OR 97301 United States	Treasurer	40	\$175,009.00	\$34,010.00	\$0.00
TOTALS			\$430,409.00	\$73,015.00	\$49,000.00

Statement 17

Form: 990

Page: 8

Part: VIII

Question:

WILLAMETTE UNIVERSITY

93-0386972

Relationship of Activities

Line No	Relationship of Activities to the Accomplishment of Exempt Purposes
93 a	Tuition revenue contributes directly to the instructional activities which enables students to meet their educational goals.
93 b	Room and board revenue provides housing for students who live on campus as part of their educational program.
93 c	Provides services for the convenience of students.

Statement 18
Form: Schedule A
Page: 2
Part: III
Question: 2

WILLAMETTE UNIVERSITY
93-0386972

Transaction Explanations

Line	Explanation
2b	A loan was made to the President of the University at a fair market interest rate and with forgiveness provisions designed to reward the President for remaining at the University.

Statement 19
Form: Schedule A
Page: 2
Part: III
Question: 3

WILLAMETTE UNIVERSITY
93-0386972

Explanation of Grant Determination

Explanation of grant qualifications

The University awards scholarships based on superior academic achievement and financial need.

Statement 20
Form: Schedule A
Page: 4
Part: V
Question: 31

WILLAMETTE UNIVERSITY
93-0386972

Publicize Racially Nondiscriminatory Policy

Explanation/Description

The University publicizes this information in the Oregonian newspaper and in student catalogs.

Statement 21
Form: Schedule A
Page: 4
Part: V
Question: 34

WILLAMETTE UNIVERSITY
93-0386972

Financial Assistance

Explanation

The University receives Title IV funds for financial aid purposes, as well as occasional federal and state grants for faculty research and programming purposes.