

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

2008

Department of the Treasury
Internal Revenue Service

For calendar year **2008** or other tax year beginning **JUNE 1**, 2008, and ending **MAY 31**, 20 **09**. See separate instructions.

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

- A** Check box if address changed
- B** Exempt under section
- 501(c) (**3**)
 - 408(e) 220(e)
 - 408A 530(a)
 - 529(a)

Name of organization (Check box if name changed and see instructions.)
WILLAMETTE UNIVERSITY

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.
900 STATE STREET

City or town, state, and ZIP code
SALEM, OR 97301

D Employer identification number
(Employees' trust, see instructions for Block D on page 9.)
93 0386972

E Unrelated business activity codes
(See instructions for Block E on page 9.)
523000

C Book value of all assets at end of year
387,453,502

F Group exemption number (See instructions for Block F on page 9.)

G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. **ORDINARY BUSINESS INCOME FROM INVESTMENTS**

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 **ROBERT OLSON** Telephone number **(503) 370-6985**

Part I Unrelated Trade or Business Income		(A) Income		(B) Expenses		(C) Net	
1a Gross receipts or sales							
b Less returns and allowances							
	c Balance ▶	1c					
2 Cost of goods sold (Schedule A, line 7)		2					
3 Gross profit. Subtract line 2 from line 1c		3					
4a Capital gain net income (attach Schedule D)		4a					
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b					
c Capital loss deduction for trusts		4c					
5 Income (loss) from partnerships and S corporations (attach statement)		5	66,620	00			66,620 00
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 (Schedule G)		9					
10 Exploited exempt activity income (Schedule I)		10					
11 Advertising income (Schedule J)		11					
12 Other income (See page 11 of the instructions; attach schedule.)		12					
13 Total. Combine lines 3 through 12		13					66,620 00

Part II Deductions Not Taken Elsewhere (See page 11 of the 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 page 13 of the instructions for limitation rules.)		20				8	00
21 Depreciation (attach Form 4562)		21					
22 Less depreciation claimed on Schedule A and elsewhere on return		22a					
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					
28 Other deductions (attach schedule)		28					
29 Total deductions. Add lines 14 through 28		29				8	00
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30				66,612	00
31 Net operating loss deduction (limited to the amount on line 30)		31				(24,308)	00
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32				42,304	00
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)		33				1,000	00
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				41,304	00

Part III Tax Computation

Table with 4 columns: Description, Line Number, Amount, and Balance. Includes rows for Organizations Taxable as Corporations (35), Trusts Taxable at Trust Rates (36), Proxy tax (37), Alternative minimum tax (38), and Total (39).

Part IV Tax and Payments

Table with 4 columns: Description, Line Number, Amount, and Balance. Includes rows for Foreign tax credit (40a-40d), Total credits (40e), Other taxes (42), Total tax (43), Payments (44a-44f), Estimated tax penalty (46), Tax due (47), Overpayment (48), and Credited/Refunded (49).

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

Table with 3 columns: Question, Yes, and No. Includes questions about foreign interest, foreign trusts, and tax-exempt interest.

Schedule A—Cost of Goods Sold. Enter method of inventory valuation

Table with 4 columns: Description, Line Number, Amount, and Balance. Includes rows for Inventory at beginning/end of year (1, 6), Purchases (2), Cost of labor (3), Additional section 263A costs (4a, 4b), and Total (5).

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.

Sign Here

Signature of officer, Date, Title

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name, EIN, Phone no.

Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions on page 19)

1 Description of property		
(1)		
(2)		
(3)		
(4)		
2 Rent received or accrued		3(a) 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	(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶
(c) 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 on page 19)

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 schedule)	(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 × column 6)	8 Allocable deductions (column 6 × 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 on page 20)

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 on page 21)

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 (col. 3 plus col. 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 on page 21)

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 cols. 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, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

Schedule J—Advertising Income (see instructions on page 21)

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) (col. 2 minus col. 3). If a gain, compute cols. 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)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) . . . ▶						

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 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 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)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals , Part II (lines 1-5) . . . ▶	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).				Enter here and on page 1, Part II, line 27.

Schedule K—Compensation of Officers, Directors, and Trustees (see instructions on page 22)

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 ▶			

FORM 990-T
Attachment #1 for Part I, Line 5
Willamette University
EIN: 93-0386972

Attachment #2: Capital International Partners IV	\$ (84)
Attachment #3: Falconhead Capital Partners II AIV NYDJ	\$ 7,367
Attachment #4: Private Equity Partners III	\$(11,306)
Attachment #5: Private Equity Partners IV	\$ 36,872
Attachment #6: Montauk Triguard Fund III	\$ 30,761
Attachment #7: Montauk Triguard Fund IV	\$ (125)
Attachment #8: Northgate Private Equity Partners	\$ 7,051
Attachment #9: Post Strategic Fund II	\$ (4,415)
Attachment #10: Realty Partners I	\$ 408
Attachment #11: Venture Partners IV	\$ 28
Attachment #12: Venture Partners V	\$ 9
Attachment #13: Venture Partners VI	<u>\$ 54</u>
Net Income	<u>\$ 66,620</u>

FORM 990-T
Attachment #2 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Capital International Partners IV)	\$ 266
Less: Flow-Thru Portfolio Deductions	\$ 216
Less: Management Fee Expense	\$ 91
Less: Investment Interest Expense	\$ 35
Less: Professional Fee Expense	\$ 6
Less: General & Admin Expense	<u>\$ 2</u>
Net Loss	<u>\$(84)</u>

FORM 990-T
Attachment #3 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (fr: Falconhead Capital Ptnrs II AIV NYDJ) \$ 7,367

FORM 990-T
Attachment #4 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Private Equity Partners III) \$(11,306)

FORM 990-T
Attachment #5 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Private Equity Partners IV)	\$ 45,778
Less: Investment Interest Expense	\$ 4,842
Less: Flow-Thru Portfolio Deductions	\$ 3,302
Less: Management Fee Expense	\$ 590
Less: General & Administrative Expense	\$ 93
Less: Professional Fee Expense	<u>\$ 79</u>
Net Income	<u>\$ 36,872</u>

FORM 990-T
Attachment #6 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Montauk Triguard Fund III)	\$ 41,050
Less: Flow-Thru Portfolio Deductions	\$ 7,033
Less: Section 59 (e)(2) expenditures	\$ 2,456
Less: Investment interest expense	\$ 779
Less: Other Portfolio deductions	<u>\$ 21</u>
Net Income	<u>\$ 30,761</u>

FORM 990-T
Attachment #7 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Montauk Triguard IV)

\$(125)

FORM 990-T
Attachment #8 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Northgate Private Equity Partners)	\$ 10,241
Less: Flow-Thru Portfolio Deductions	\$ 2,838
Less: Investment Interest Expense	\$ 248
Less: Section 59(e)(2) expenditures	\$ 62
Less: Other Portfolio deductions	<u>\$ 42</u>
Net Income	<u>\$ 7,051</u>

FORM 990-T
Attachment #9 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Post Strategic Fund II) \$ (4,415)

FORM 990-T
Attachment #10 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Realty Partners I)	\$ 420
Less: Investment interest expense	\$ 9
Less: Other portfolio deductions	<u>\$ 3</u>
Net Income	<u>\$ 408</u>

FORM 990-T
Attachment #11 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Venture Partners IV)	\$ 92
Less: Investment interest expense	<u>\$ 64</u>
Net Income	<u>\$ 28</u>

FORM 990-T
Attachment #12 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Venture Partners V)

\$ 9

FORM 990-T
Attachment #13 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Venture Partners VI)	\$ 122
Less: Other portfolio deductions	\$ 45
Less: Management fee expense	\$ 12
Less: Section 179 deduction	\$ 7
Less: Investment interest expense	\$ 3
Less: Professional fee expense	<u>\$ 1</u>
Net Income	<u>\$ 54</u>

FORM 990-T
Attachment #14 for Part II, Line 31
Willamette University
EIN: 93-0386972

Net operating loss deduction carryover from FYE 5/31/08 990-T **\$ (24,308)**