

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

2009

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

Department of the Treasury Internal Revenue Service

For calendar year **2009** or other tax year beginning **JUNE 1**, 2009, and ending **MAY 31**, 20 **10**. See separate instructions.

- 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 8 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
408,135,711

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-subsidary 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)			
3	Gross profit. Subtract line 2 from line 1c			
4a	Capital gain net income (attach Schedule D)			
4b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
4c	Capital loss deduction for trusts			
5	Income (loss) from partnerships and S corporations (attach statement)	(63,869	00)	(63,869
6	Rent income (Schedule C)			00)
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)			
12	Other income (See page 10 of the instructions; attach schedule.)			
13	Total. Combine lines 3 through 12			(63,869
				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)			
15	Salaries and wages			
16	Repairs and maintenance			
17	Bad debts			
18	Interest (attach schedule)			
19	Taxes and licenses			
20	Charitable contributions (See page 13 of the instructions for limitation rules.)			21
21	Depreciation (attach Form 4562)	21		
22	Less depreciation claimed on Schedule A and elsewhere on return	22a		22b
23	Depletion			
24	Contributions to deferred compensation plans			
25	Employee benefit programs			
26	Excess exempt expenses (Schedule I)			
27	Excess readership costs (Schedule J)			
28	Other deductions (attach schedule)			
29	Total deductions. Add lines 14 through 28			21
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			00
31	Net operating loss deduction (limited to the amount on line 30)			
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			(63,890
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)			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			0
				00

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15. 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	00
36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16. 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 page 16 of the instructions	37		
38 Alternative minimum tax	38		
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	0	00

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a		
b Other credits (see page 16 of the instructions)	40b		
c General business credit. Attach Form 3800	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		
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	00
44a Payments: A 2008 overpayment credited to 2009	44a		
b 2009 estimated tax payments	44b	9,000	00
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 _____	44f		
<input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total			
45 Total payments. Add lines 44a through 44f	45	9,000	00
46 Estimated tax penalty (see page 4 of the 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	9,000	00
49 Enter the amount of line 48 you want: Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	49	9,000	00

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 17)

1 At any time during the 2009 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, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here Spain, Luxembourg, UK	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 page 5 of the instructions for other forms the organization may have to file.		Yes
3 Enter the amount of tax-exempt interest received or accrued during the tax year 7		

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			8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No	
4a Additional section 263A costs (attach schedule)	4a						
b Other costs (attach schedule)	4b						
5 Total. Add lines 1 through 4b	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. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer _____	Date _____	Title _____	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Paid Preparer's Use Only	Preparer's signature _____	Date _____	
	Firm's name (or yours if self-employed), address, and ZIP code _____	EIN _____	Phone no. () _____	

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

(see instructions on page 18)

1. Description of property		
(1)		
(2)		
(3)		
(4)		
2. Rent received or accrued		
(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)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . ▶		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶

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 20)

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)						
Totals from Part I		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.
Totals, Part II (lines 1-5)						

Schedule K—Compensation of Officers, Directors, and Trustees (see instructions on page 21)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
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: Falconhead Capital Partners II, L.P.	\$ 4,146
Attachment #3: Falconhead Capital Partners II AIV NYDJ	\$ 83,290
Attachment #4: Falconhead Capital Partners II GPSI AIV, L.P.	\$(107,713)
Attachment #5: Private Equity Partners III	\$(1,841)
Attachment #6: Private Equity Partners IV	\$ 62,722
Attachment #7: Montauk Triguard Fund III	\$(50,645)
Attachment #8: Montauk Triguard Fund IV	\$(7,451)
Attachment #9: Northgate Private Equity Partners	\$ 2,323
Attachment #10: Post Strategic Fund II	\$ 7,004
Attachment #11: Realty Partners I	\$(56,109)
Attachment #12: Venture Partners IV	\$ 23
Attachment #13: Venture Partners V	\$ 432
Attachment #14: Venture Partners VI	<u>\$(50)</u>
Net Loss	<u>\$(63,869)</u>

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

Unrelated Business Income (from Falconhead Capital Ptnrs II, L.P.)	\$ 4,220
Less: Flow-Thru Portfolio Deductions	<u>\$ 74</u>
Net Income	<u>\$ 4,146</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) \$ 83,290

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

Unrelated Business Income (fr Falconhead Cap. Ptnrs II GPSI AIV) \$(107,713)

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

Unrelated Business Income (from Private Equity Partners III) \$(1,841)

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

Unrelated Business Income (from Private Equity Partners IV)	\$ 62,779
Less: Flow-Thru Portfolio Deductions	<u>\$ 57</u>
Net Income	<u>\$ 62,722</u>

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

Unrelated Business Income (from Montauk Triguard Fund III) \$(50,645)

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

Unrelated Business Income (from Montauk Triguard IV)

\$(7,451)

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

Unrelated Business Income (from Northgate Private Equity Partners) \$ 2,323

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

Unrelated Business Income (from Post Strategic Fund II)

\$ 7,004

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

Unrelated Business Income (from Realty Partners I)

\$(56,109)

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

Unrelated Business Income (from Venture Partners IV)

\$ 23

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

Unrelated Business Income (from Venture Partners V)	\$ 439
Less: Investment interest expense	\$ 4
Less: Flow-Thru Portfolio Deductions	<u>\$ 3</u>
Net Income	<u>\$ 432</u>

FORM 990-T
Attachment #14 for Part I, Line 5
Willamette University
EIN: 93-0386972

Unrelated Business Income (from Venture Partners VI)	\$ 152
Less: Flow-Thru Portfolio Deductions	\$ 162
Less: Management fee expense	\$ 36
Less: Professional fee expense	\$ 2
Less: Investment interest expense	\$ 1
Less: General & Admin expenses	<u>\$ 1</u>
Net Loss	<u>\$(50)</u>