

Return of Organization Exempt from Income Tax

2003

Open to Public Inspection

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

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 2003 calendar year, or tax year beginning Jul 1, 2003, and ending Jun 30, 2004

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

C Name of organization: Wake Forest University. Number and street (or P.O. box if mail is not delivered to street addr): P.O. Box 7201, Reynolda Station. City, town or country: Winston-Salem. State: NC. ZIP code + 4: 27109

D Employer Identification Number: 56-0532138. E Telephone number: (336) 758-4096. 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 and I are not applicable to section 527 organizations. H (a) Is this a group return for affiliates? H (b) If 'Yes,' enter number of affiliates. H (c) Are all affiliates included? H (d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number. M Check if the organization is not required to attach Schedule B

G Web site: www.wfu.edu

J Organization type (check only one): 501(c) 3

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 received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12. 244,443,324

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

Table with columns for Revenue, Expenses, and Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses; 9c Net income or (loss); 10a Gross sales of inventory; 10b Less: cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

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.

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
22	Grants and allocations (att sch) (cash \$ <u>10,127,062.</u> non-cash \$ _____)	22 10,127,062.	10,127,062.		
23	Specific assistance to individuals (att sch)	23			
24	Benefits paid to or for members (att sch)	24			
25	Compensation of officers, directors, etc	25 1,329,216.	0.	1,329,216.	0.
26	Other salaries and wages.	26 90,667,146.	78,367,475.	9,728,292.	2,571,379.
27	Pension plan contributions	27 7,429,673.	6,328,997.	893,010.	207,666.
28	Other employee benefits	28 9,135,004.	7,781,691.	1,008,362.	344,951.
29	Payroll taxes	29 6,325,562.	5,388,456.	760,301.	176,805.
30	Professional fundraising fees	30			
31	Accounting fees	31 151,957.	0.	151,957.	0.
32	Legal fees	32 117,530.	0.	117,530.	0.
33	Supplies	33 3,920,223.	3,619,968.	206,547.	93,708.
34	Telephone	34 580,323.	303,489.	259,260.	17,574.
35	Postage and shipping.	35 916,875.	436,216.	431,991.	48,668.
36	Occupancy	36 9,438,102.	9,438,102.	0.	0.
37	Equipment rental and maintenance	37 3,252,557.	1,179,587.	2,069,709.	3,261.
38	Printing and publications	38 2,397,484.	2,188,066.	69,318.	140,100.
39	Travel	39 6,784,921.	5,985,151.	397,161.	402,609.
40	Conferences, conventions, and meetings.	40 1,051,519.	855,110.	195,275.	1,134.
41	Interest	41 2,758,232.	2,758,232.	0.	0.
42	Depreciation, depletion, etc (attach schedule)	42 17,976,427.	17,976,427.	0.	0.
43	Other expenses not covered above (itemize):				
a	Consultants/Contract Svcs.	43a 6,997,206.	5,869,329.	1,082,274.	45,603.
b	Technology Expense	43b 6,464,313.	5,286,785.	1,177,030.	498.
c	Auxiliary Enterprises	43c 2,051,866.	2,051,866.	0.	0.
d	Insurance	43d 1,438,107.	1,399,053.	30,903.	8,151.
e	See Other Expenses Stmt	43e 11,328,752.	11,296,279.	23,845.	8,628.
44	Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44 202,640,057.	178,637,341.	19,931,981.	4,070,735.

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

What is the organization's primary exempt purpose? ▶ <u>Education and Research</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>Instruction - approximately 5,876 students</u> _____ _____ _____ (Grants and allocations \$ _____ 0.)	70,914,578.
b <u>Research is comprised of basic science</u> _____ _____ _____ (Grants and allocations \$ _____ 10,127,062.)	10,127,062.
c <u>Depreciation, interest, and maintenance</u> _____ _____ _____ (Grants and allocations \$ _____ 0.)	32,120,205.
d <u>Libraries</u> _____ _____ _____ (Grants and allocations \$ _____ 0.)	10,019,559.
e <u>Other program services.</u> (Grants and allocations \$ _____)	55,455,937.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	178,637,341.

Part IV Balance Sheets (See 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	0.	45	0.
	46 Savings and temporary cash investments	28,723,806.	46	27,237,609.
	47 a Accounts receivable	47 a 3,634,734.		
	b Less: allowance for doubtful accounts	47 b 991,348.	3,267,994.	47 c 2,643,386.
	48 a Pledges receivable	48 a 58,296,385.		
	b Less: allowance for doubtful accounts	48 b 16,328,000.	39,115,819.	48 c 41,968,385.
	49 Grants receivable		794,840.	49 782,644.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50
	51 a Other notes & loans receivable (attach sch)	51 a 19,088,751.		
	b Less: allowance for doubtful accounts	51 b 349,068.	18,545,386.	51 c 18,739,683.
	52 Inventories for sale or use		1,195,014.	52 2,127,687.
	53 Prepaid expenses and deferred charges			53 2,300,417.
	54 Investments — securities (attach schedule). L-54 Stmt <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		380,496,828.	54 430,023,591.
	55 a Investments — land, buildings, & equipment: basis	55 a 47,032,083.		
	b Less: accumulated depreciation (attach schedule). L-55. Stmt	55 b 18,409,837.	30,218,440.	55 c 28,622,246.
56 Investments — other (attach schedule)			56	
57 a Land, buildings, and equipment: basis	57 a 460,603,914.			
b Less: accumulated depreciation (attach schedule). L-57. Stmt	57 b 230,212,883.	232,993,220.	57 c 230,391,031.	
58 Other assets (describe <input type="checkbox"/> See Line 58 Stmt <input type="checkbox"/>).		3,343,655.	58 488,129.	
59 Total assets (add lines 45 through 58) (must equal line 74)		738,695,002.	59 785,324,808.	
LIABILITIES	60 Accounts payable and accrued expenses		13,749,612.	60 12,872,136.
	61 Grants payable		10,693,895.	61 10,911,286.
	62 Deferred revenue		5,508,169.	62 5,295,137.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			63
	64 a Tax-exempt bond liabilities (attach schedule)		84,920,000.	64 a 81,095,000.
	b Mortgages and other notes payable (attach schedule)		8,383,117.	64 b 7,757,944.
	65 Other liabilities (describe <input type="checkbox"/> See Line 65 Stmt <input type="checkbox"/>).		25,240,981.	65 31,961,748.
66 Total liabilities (add lines 60 through 65)		148,495,774.	66 149,893,251.	
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		316,004,690.	67 345,274,098.
	68 Temporarily restricted		130,954,967.	68 145,344,174.
	69 Permanently restricted		143,239,571.	69 144,813,285.
	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)		590,199,228.	73 635,431,557.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)		738,695,002.	74 785,324,808.

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.

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

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

a	Total revenue, gains, and other support per audited financial statements ▶	a	263,657,646.
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments . . . \$ 19,214,322.		
(2)	Donated services and use of facilities . . . \$ _____		
(3)	Recoveries of prior year grants \$ _____		
(4)	Other (specify): _____ _____ \$ _____		
	Add amounts on lines (1) through (4) . . . ▶	b	19,214,322.
c	Line a minus line b ▶	c	244,443,324.
d	Amounts included on line 12, Form 990 but not on line a :		
(1)	Investment expenses not included on line 6b, Form 990 . . . \$ _____		
(2)	Other (specify): <u>Rental Exp.</u> <u>Bookstore Exp.</u> \$ -15,784,784.		
	Add amounts on lines (1) and (2) . . ▶	d	-15,784,784.
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	228,658,540.

a	Total expenses and losses per audited financial statements ▶	a	218,424,841.
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$ _____		
(2)	Prior year adjustments reported on line 20, Form 990 . . \$ _____		
(3)	Losses reported on line 20, Form 990 . . \$ _____		
(4)	Other (specify): <u>Rent Exp.</u> <u>Bookstore Exp.</u> \$ 15,784,784.		
	Add amounts on lines (1) through (4) . . . ▶	b	15,784,784.
c	Line a minus line b ▶	c	202,640,057.
d	Amounts included on line 17, Form 990 but not on line a :		
(1)	Investment expenses not included on line 6b, Form 990 . . . \$ _____		
(2)	Other (specify): _____ _____ \$ _____		
	Add amounts on lines (1) and (2) . . ▶	d	
e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e	202,640,057.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see 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	(E) Expense account and other allowances
<u>Thomas K. Hearn, Jr.</u> P.O. Box 7226, Winston-Salem, NC 27109	President 40	311,408.	262,097.	365,672.
<u>John P. Anderson</u> P.O. Box 7249, Winston-Salem, NC 27109	VP Finance & Admin. 40	280,500.	36,488.	15,613.
<u>William C. Gordon</u> P.O. Box 7688, Winston-Salem, NC 27109	Provost 40	288,900.	22,786.	12,513.
<u>Lou Morrell</u> P.O. Box 7354, Winston-Salem, NC 27109	VP Invest. & Treasurer 40	226,440.	34,136.	8,052.
<u>James Reid Morgan</u> P.O. Box 7656, Winston-Salem, NC 27109	VP & General Counsel 40	193,800.	28,810.	7,949.
See List of Officers, Etc. Statement		28,168.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ▶ Yes No
If 'Yes,' attach schedule — see instructions.

Part VI Other Information (See instructions.)

Yes No

76 Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity
77 Were any changes made in the organizing or governing documents but not reported to the IRS?
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78b If 'Yes,' has it filed a tax return on Form 990-T for this year?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year?
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?
80b If 'Yes,' enter the name of the organization
81a Enter direct and indirect political expenditures. See line 81 instructions
81b Did the organization file Form 1120-POL for this year?
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?
82b 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.
83a Did the organization comply with the public inspection requirements for returns and exemption applications?
83b 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?
84b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85c Dues, assessments, and similar amounts from members
85d Section 162(e) lobbying and political expenditures
85e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices.
85f Taxable amount of lobbying and political expenditures (line 85d less 85e).
85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85h 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?
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12
86b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders.
87b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)
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?
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911; section 4912; section 4955
89b 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?
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
d Enter: Amount of tax on line 89c, above, reimbursed by the organization
90a List the states with which a copy of this return is filed
90b Number of employees employed in the pay period that includes March 12, 2003
91 The books are in care of
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

Part VII Analysis of Income-Producing Activities (See 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 Net Tuition and Fees					97,470,984.
b Organized Activities					3,917,796.
c Dormitories & Residential Areas					14,331,362.
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts.			14	533,229.	
96 Dividends & interest from securities			14	9,821,676.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property	713900, 721110	358,023.	16	2,556,204.	
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory	523000	70.	18	35,214,277.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory	451211	19,885.	3	2,739,171.	
103 Other revenue: a					
b Aux. Enter., incl. Athletics					33,993,082.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		377,978.		50,864,557.	149,713,224.
105 Total (add line 104, columns (B), (D), and (E))					200,955,759.

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 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	Education of undergraduate and graduate students (incl. law, business, & divinity)
93b	Allow community access to University facilities and student knowledge to provide public services
93c	Provide affordable, convenient, and safe on-campus housing for students
	See Relationship of Activities to the Accomplishment of Exempt Purposes Statement

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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
Western Asset Global Bond Porfolio, LLC 2711 Centerville Rd., Wilmington DE EIN-94-3403899	99.9954 %	Investment Management	2,218,284.	25,750,386.
See Info Regarding Taxable Subsidiaries Stmt	%		25,328.	2,092,908.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See 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: Maureen L. Carpenter, Controller Date: _____

Type or print name and title

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____

Check if self-employed:

Preparer's SSN or PTIN (see General Instruction W): _____

Non-Paid Preparer

Firm's name (or yours if self-employed): _____

Address and ZIP + 4: _____

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 Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

2003▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**Department of the Treasury
Internal Revenue Service

Name of the organization

Wake Forest University

Employer identification number

56-0532138

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
George E. Prosser ----- Winston-Salem, NC	Head Men's Basketball Coach 40	912,416.	67,924.	14,014.
Jim B. Grobe ----- Winston-Salem, NC	Head Men's Football Coach 40	754,250.	184,905.	17,362.
Ronald D. Wellman ----- Winston-Salem, NC	Director of Athletics 40	370,000.	77,638.	12,682.
Robert K. Walsh ----- Winston-Salem, NC	Dean, School of Law 40	275,000.	26,175.	11,563.
Steve H. Nickles ----- Winston-Salem, NC	Professor 40	211,865.	25,972.	87,241.
Total number of other employees paid over \$50,000 ▶	617			

Part II 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
CDM Optics, Inc. ----- Boulder, CO	Engineering	736,022.
Nicholas/Applegate ----- Los Angeles, CA	Investment	408,310.
Causeway Capital Management ----- Los Angeles, CA	Investment	371,506.
Harris Associates ----- Chicago, IL	Investment	261,200.
IBM ----- Pittsburgh, PA	Project Management	209,076.
Total number of others receiving over \$50,000 for professional services ▶	22	

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

Schedule A (Form 990 or 990-EZ) 2003

Part III Statements About Activities (See instructions.)

Yes No

<p>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.)</p> <p>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.</p>	1		X
<p>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.)</p>			
<p>a Sale, exchange, or leasing of property?</p>	2 a	X	
<p>b Lending of money or other extension of credit?</p>	2 b		X
<p>c Furnishing of goods, services, or facilities?</p>	2 c	X	
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p> <p style="text-align: center;">See Part V, Form 990</p>	2 d	X	
<p>e Transfer of any part of its income or assets?</p>	2 e		X
<p>3 a 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.)</p>	3 a	X	
<p>b Do you have a section 403(b) annuity plan for your employees?</p>	3 b	X	
<p>4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?</p>	4		X

Part IV Reason for Non-Private Foundation Status (See 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.)
- 11 a** 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.)
- 11 b** 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)** section 509(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

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

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

N/A

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

Table with 6 columns: Calendar year (or fiscal year beginning in), (a) 2002, (b) 2001, (c) 2000, (d) 1999, (e) Total. Rows 15-25 include categories like Gifts, grants, and contributions received; Membership fees received; Gross receipts from admissions; Gross income from interest, dividends; Net income from unrelated business activities; Tax revenues levied; Value of services or facilities furnished; Other income; Total of lines 15 through 22; Line 23 minus line 17; Enter 1% of line 23.

Section 26: Organizations described on lines 10 or 11. Includes sub-sections a through f for calculating public support percentage (line 26e) and investment income percentage (line 26f).

Section 27: Organizations described on line 12. Includes sub-sections a through h for calculating public support percentage (line 27g) and investment income percentage (line 27h) for disqualified persons.

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, 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)

		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?	X	
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?	X	
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>The University publishes its nondiscriminatory policy in the undergraduate bulletin which is distributed to all students annually, and is also available on the University's website.</u>	X	
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	X	
	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?		X
b	Admissions policies?		X
c	Employment of faculty or administrative staff?		X
d	Scholarships or other financial assistance?		X
e	Educational policies?		X
f	Use of facilities?		X
g	Athletic programs?		X
h	Other extracurricular activities?		X
	If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	X	
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.		X
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.	X	

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

(The term 'expenditures' means amounts paid or incurred.)

Table with 3 columns: Line number, Description, (a) Affiliated group totals, (b) To be completed for ALL electing organizations. Rows 36-44 include lobbying expenditures, exempt purpose expenditures, and nontaxable amounts.

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.)

Table with 6 columns: Calendar year (or fiscal year beginning in), (a) 2003, (b) 2002, (c) 2001, (d) 2000, (e) Total. Rows 45-50 include lobbying nontaxable amount, lobbying ceiling amount, total lobbying expenditures, grassroots nontaxable amount, grassroots ceiling amount, and 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:

- 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.)

Table with 3 columns: Yes, No, Amount. Rows correspond to items a through i.

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

(i) Cash

(ii) Other assets

b Other transactions:

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

Summary table with columns Yes/No and rows for items 51 a (i), a (ii), b (i), b (ii), b (iii), b (iv), b (v), b (vi), and c.

Main table with columns (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, and (d) Description of transfers, transactions, and sharing arrangements.

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If 'Yes,' complete the following schedule:

Schedule table with columns (a) Name of organization, (b) Type of organization, and (c) Description of relationship.

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No. 1545-0047

2003

Name of organization

Wake Forest University

Employer identification number

56-0532138

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (**Note:** Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General Rule and a Special Rule – see instructions.)

General Rule –

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules –

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc, contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2003)

Name of organization Wake Forest University	Employer identification number 56-0532138
--	--

Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 750,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 1,400,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 1,730,352.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4		\$ 560,259.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

Wake Forest University

56-0532138

Part II Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	Computer equipment ----- ----- -----	\$ 1,400,000.	05/21/04
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----

Additional Information

Schedule A, Part III, line 3

A list of recipients of scholarships and fellowships is on file at the institution, and is available on request. Although there may be recipients who are related to persons having an interest in the institution, such recipients are selected on an equal, objectively determinable basis with other recipients. That is, all students receiving scholarships and fellowships are judged worthy by the institution's assessment on the basis of academic achievement, financial need, and other similar standards.

Additional Information

Form 990, Part VI, Line 79 Statement

On July 1, 2002, the Wake Forest University School of Medicine began operations as a new not-for-profit corporation, Wake Forest University Health Sciences (WFUHS). WFUHS is a nonprofit corporation under Chapter 55A of the General Statutes of North Carolina, having the University as its sole member. All of the assets, liabilities and employees of the School of Medicine were transferred into the new corporation as of July 1, 2002.

Additional Information

Form 990, Part III, Supporting Statement of Program Service Accomplishments

Wake Forest is a university dedicated to the pursuit of excellence in the liberal arts and in graduate and professional education. Its distinctiveness in its pursuit of its mission derives from its private, co-educational, and residential character, its size and location. The University is now comprised of seven constituent parts: two undergraduate institutions and four professional schools. It seeks to honor the ideals of liberal learning, which entail commitment to transmission of cultural heritages; teaching the modes of learning in the basic disciplines of human knowledge; developing critical appreciation of moral, aesthetic and religious values; advancing the frontiers of knowledge through in-depth study and research; and applying and utilizing knowledge in the service of humanity.

Additional Information

Form 990, Part II, Line 42

Land, buildings and equipment are recorded at cost at date of acquisition or fair market value on the date received for donated items. Depreciation is calculated on the straight-line basis over the estimated useful life of each class or component of depreciable asset. Estimated lives range from 3 to 60 years. Depreciation expense for the year ended June 30, 2003 was \$17,941,020.

Additional Information

Form 990, Part V, Trustees Listing & Statement

Jerry H. Baker, Atlanta, Georgia

James L. Becton, Augusta, Georgia

W. Louis Bissette Jr., Asheville, North Carolina

Simpson O. Brown, Jr., Winston-Salem, North Carolina

Jocelyn Burton, San Francisco, California

Jan W. Calloway, Greenwich, Connecticut

Ronald E. Deal, Hickory, North Carolina

Graham W. Denton, Jr., Charlotte, North Carolina

A. Doyle Early Jr., High Point, North Carolina

Lisbeth C. Evans, Winston-Salem, North Carolina

Lelia B. Farr, St. Louis, Missouri

Martin L. Garcia, Tampa, Florida

Marvin D. Gentry, King, North Carolina

Murray C. Greason Jr., Winston-Salem, North Carolina

James R. Helvey III, Winston-Salem, North Carolina

Harvey R. Holding, Ponte Vedra Beach, Florida

Lawrence D. Hopkins, Winston-Salem, North Carolina

Alice Kirby Horton, Hillsborough, North Carolina

Albert R. Hunt, Washington, D.C.

Jeannette Wallace Hyde, Raleigh, North Carolina

James W. Johnston, Winston-Salem, North Carolina

Sandra R. Kahle, Vero Beach, Florida

Dee Hughes LeRoy, Charleston, South Carolina

Douglas F. Manchester, San Diego, California

John G. Medlin, Jr., Winston-Salem, North Carolina

Theodore R. Meredith, Vero Beach, Florida

Russell W. Meyer, Jr., Wichita, Kansas

Kenneth D. Miller, Greensboro, North Carolina

Barbara B. Millhouse, New York, New York

L. Glenn Orr Jr., Winston-Salem, North Carolina

Michael G. Queen, Wilmington, North Carolina

Andrew J. Schindler, Winston-Salem, North Carolina

Adelaide A. Sink, Thonotosassa, Florida

K. Wayne Smith, Newton, North Carolina

Janice Kulynych Story, Atlanta, Georgia

Lloyd P. Tate, Jr., Raleigh, North Carolina

G. Kennedy Thompson, Charlotte, North Carolina

J. Lanny Wadkins, Jr., Dallas, Texas

James T. Williams, Jr., Greensboro, North Carolina

Kyle Allen Young, Winston-Salem, North Carolina

The aforementioned Trustees serve the University on a voluntary basis.
None of the Trustees are compensated for their time or efforts in serving
the University.

Additional Information

Form 990, Part VI, Line 80b

Wake Forest University Foundation - exempt organization

Wake Forest University Development Foundation - exempt organization

Reynolda House, Inc. - exempt organization

Wake Forest University Health Sciences - exempt organization

Elkin Dialysis Center of Wake Forest University - exempt organization

High Point Kidney Center of Wake Forest University - exempt organization

King Dialysis Center of Wake Forest University - exempt organization

Lake Norman Dialysis Center of Wake Forest University - exempt organization

Lexington Dialysis Center of Wake Forest University - exempt organization

Mt. Airy Dialysis Center of Wake Forest University - exempt organization

Northside Dialysis Center of Wake Forest University - exempt organization

Piedmont Dialysis Center of Wake Forest University - exempt organization

Salem Kidney Center of Wake Forest University - exempt organization

Statesville Dialysis Center of Wake Forest University - exempt organization

Thomasville Dialysis Center of Wake Forest University - exempt organization

Triad Dialysis Center of Wake Forest University - exempt organization

West Iredell Dialysis Center of Wake Forest University - exempt organization

!dealliance - exempt organization

!dealliance Foundation - exempt organization

Piedmont Triad Research Park - exempt organization

PTRP Holdings LLC - non-exempt organization

The Medical Foundation of Wake Forest University Health Sciences and North Carolina Baptist Hospital - exempt organization

Seed Stage Association, LLC - non-exempt organization

Miller Street Dialysis Center of Wake Forest University - exempt organization

WinstonNet - exempt organization

Additional Information

Schedule A, Part III, line 4

The University has a 403(b) annuity plan for employees.

Additional Information

Schedule A, Part III, Line 2 (c)

Wake Forest provides housing to the President of the University and automobiles to certain officers, which is reported on Part V, Form 990, as required.

Additional Information

Schedule A, Part III, Line 2a

Wake Forest University leased properties to the Z. Smith Reynolds Foundation and Wachovia, who were both substantial contributors to the University during the fiscal year ended June 30, 2003.

Additional Information

Schedule A, Part V, Line 34a Statement

The University receives financial aid as part of its educational purpose,
which is then awarded to eligible students.

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)
Bookstore Inventory	7,055,749.	4,296,693.	2,759,056.
Total	<u>7,055,749.</u>	<u>4,296,693.</u>	<u>2,759,056.</u>

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

Other expenses not covered above (itemize):	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Library	3,539,907.	3,539,907.	0.	0.
Dues & Subscriptions	801,656.	769,183.	23,845.	8,628.
Actuarial loss on annuity obligations	6,571,000.	6,571,000.	0.	0.
Miscellaneous	416,189.	416,189.	0.	0.
Total	<u>11,328,752.</u>	<u>11,296,279.</u>	<u>23,845.</u>	<u>8,628.</u>

Form 990, Page 3, Part IV, Line 54

Investments - Securities Statement

Line 54 – Investments - Securities:	Beginning of Year	End of Year
U.S. Government Securities	66,111.	128,529.
Common and Preferred Stocks	260,890,064.	327,194,891.
Bonds	117,116,409.	100,111,371.
Beneficial interests in perpetual trusts	2,424,244.	2,588,800.
Total	<u>380,496,828.</u>	<u>430,023,591.</u>

Form 990, Page 3, Part IV, Lines 55a & 55b

Investments - Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Land & Buildings	47,032,083.	18,409,837.	28,622,246.
Total	<u>47,032,083.</u>	<u>18,409,837.</u>	<u>28,622,246.</u>

Form 990, Page 3, Part IV, Lines 57a & 57b
Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Land	5,012,959.		5,012,959.
Buildings and Improvements	314,551,306.		314,551,306.
Equipment & Furnishings	135,093,576.		135,093,576.
Construction in Progress	5,946,073.		5,946,073.
Accumulated Depreciation		230,212,883.	-230,212,883.
Total	<u>460,603,914.</u>	<u>230,212,883.</u>	<u>230,391,031.</u>

Form 990, Page 3, Part IV, Line 58
Other Assets Statement

Line 58 - Other Assets:	Beginning of Year	End of Year
Bond proceeds in escrow	524,603.	488,129.
Prepaid Expenses	126,565.	
Deferred Lease Expenses	2,691,736.	
Other	751.	
Total	<u>3,343,655.</u>	<u>488,129.</u>

Form 990, Page 3, Part IV, Line 65
Other Liabilities Statement

Line 65 - Other Liabilities:	Beginning of Year	End of Year
Postretirement benefits	6,417,151.	7,148,623.
Other liabilities and deferrals	9,062,180.	9,633,445.
Annuities Payable	9,761,650.	15,179,680.
Total	<u>25,240,981.</u>	<u>31,961,748.</u>

Form 990, Page 4, Part V
List of Officers, Etc. 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
Nancy S. Moore P.O. Box 7656, Winston-Salem, NC 27109	Asst. Secretary 20	28,168.	0.	0.

Form 990, Page 4, Part V

Continued

List of Officers, Etc. 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
See attached schedule for trustees listing				

Total

28,168. 0. 0.

Form 990, Page 6, 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).
103b	<u>Enterprises which support the educational mission of the University (athletics, bookstore, telecommunications, etc.)</u>

Form 990, Page 6, Part IX

Info Regarding Taxable Subsidiaries Stmt

(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
<u>Natural Resource Fund C/O Global Securities Svcs. 4005 Kennett Pike, Suite 250 Greenville, DE 19807 EIN: 51-6553196</u>	<u>77.3694 %</u> _____% _____% _____%	<u>Investment Management</u> _____ _____ _____	<u>25,328.</u> _____ _____ _____	<u>2,092,908.</u> _____ _____ _____
Total			<u>25,328.</u>	<u>2,092,908.</u>

Form 990-T, Page 1, Part II, Line 28

Other Deductions Statement

<u>Membership, Dues & Training</u>	<u>14,265.</u>
<u>Rents</u>	<u>27,138.</u>
<u>Insurance</u>	<u>46,862.</u>
<u>Contract Services</u>	<u>66,185.</u>
<u>Supplies</u>	<u>92,372.</u>
<u>Postage, Copier & Printing</u>	<u>135,761.</u>

Supporting Statement of:

Form 990 p 1/Line 20

Description	Amount
Unrealized gains	19,214,322.
Miscellaneous	-476.
Total	<u>19,213,846.</u>

Supporting Statement of:

Form 990 p 2/Other Program Service Exp

Description	Amount
Organized Activities	1,995,898.
Academic Support	6,370,923.
Student Services	11,088,299.
Other Program Services	36,000,817.
Total	<u>55,455,937.</u>

Supporting Statement of:

Form 990 p 3/Line 64a, column (A)

Description	Amount
Series 1994 Taxable Bonds Payable	7,200,000.
Series 1997 Taxable Bonds Payable	15,100,000.
Series 1997 Tax-Exempt Bonds Payable	35,240,000.
Series 2000 Tax-Exempt Bonds Payable	27,380,000.
Total	<u>84,920,000.</u>

Supporting Statement of:

Form 990 p 3/Line 64b, column (A)

Description	Amount
Variable Rate Loan due 2014	8,338,507.
8% Fixed Rate Loan	31,567.
7% Fixed Rate Loan	13,043.
Total	<u>8,383,117.</u>