

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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

2003**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 2003 calendar year, or tax year beginning 6/1/2003, and ending 5/31/2004

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

C Name of organization
Southern Methodist University
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
P.O. Box 750261
 City or town State or country ZIP + 4
Dallas TX 75275-0261

D Employer identification number
75-0800689

E Telephone number
(214) 768-2800

F Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify)

G Website: www.smu.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 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 12 897,041,326

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 page 18 of the instructions.)

| | | | | |
|------------|--|----------------|------------|---------------|
| 1 | Contributions, gifts, grants, and similar amounts received: | | | |
| a | Direct public support | 1a | 41,210,504 | |
| b | Indirect public support | 1b | 2,636,129 | |
| c | Government contributions (grants) | 1c | 238,147 | |
| d | Total (add lines 1a through 1c) (cash \$ <u>31,277,559</u> noncash \$ <u>12,807,221</u>) | 1d | | 44,084,780 |
| 2 | Program service revenue including government fees and contracts (from Part VII, line 93) | 2 | | 290,773,362 |
| 3 | Membership dues and assessments | 3 | | 91,796 |
| 4 | Interest on savings and temporary cash investments | 4 | | 2,059,476 |
| 5 | Dividends and interest from securities | 5 | | 18,518,943 |
| 6a | Gross rents | 6a | 76,348 | |
| b | Less: rental expenses | 6b | 29,413 | |
| c | Net rental income or (loss) (subtract line 6b from line 6a) | 6c | | 46,935 |
| 7 | Other investment income (describe <u>See Attached</u>) | 7 | | 4,702,668 |
| 8a | Gross amount from sales of assets other than inventory | (A) Securities | | (B) Other |
| b | Less: cost or other basis and sales expenses | 536,473,375 | 8a | 253,287 |
| c | Gain or (loss) (attach schedule) | 485,833,908 | 8b | 152,779 |
| d | Net gain or (loss) (combine line 8c, columns (A) and (B)) | 50,639,467 | 8c | 100,508 |
| 8d | | | | 50,739,975 |
| 9 | Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/> | | | |
| a | Gross revenue (not including \$ <u>-0-</u> of contributions reported on line 1a) | 9a | 7,291 | |
| b | Less: direct expenses other than fundraising expenses | 9b | 474 | |
| c | Net income or (loss) from special events (subtract line 9b from line 9a) | 9c | | 6,817 |
| 10a | Gross sales of inventory, less returns and allowances | 10a | | |
| b | Less: cost of goods sold | | | |
| c | Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) | 10c | | |
| 11 | Other revenue (from Part VII, line 103) | 11 | | |
| 12 | Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11) | 12 | | 411,024,752 |
| 13 | Program services (from line 44, column (B)) | 13 | | 319,712,437 |
| 14 | Management and general (from line 44, column (C)) | 14 | | 23,333,513 |
| 15 | Fundraising (from line 44, column (D)) | 15 | | 5,863,014 |
| 16 | Payments to affiliates (attach schedule) | 16 | | |
| 17 | Total expenses (add lines 16 and 44, column (A)) | 17 | | 348,908,964 |
| 18 | Excess or (deficit) for the year (subtract line 17 from line 12) | 18 | | 62,115,788 |
| 19 | Net assets or fund balances at beginning of year (from line 73, column (A)) | 19 | | 1,050,459,694 |
| 20 | Other changes in net assets or fund balances (attach explanation) | 20 | | 49,950,438 |
| 21 | Net assets or fund balances at end of year (combine lines 18, 19, and 20) | 21 | | 1,162,525,920 |

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2003)

(HTA)

Certified Mail #7004 2890 0000 7851 2508

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 page 22 of the instructions.)

| 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 (attach schedule) (cash \$ _____ noncash \$ _____) | 22 | 68,832,181 | 68,832,181 | |
| 23 | Specific assistance to individuals (attach schedule) | 23 | | | |
| 24 | Benefits paid to or for members (attach schedule) | 24 | | | |
| 25 | Compensation of officers, directors, etc. | 25 | 2,063,233 | 1,828,233 | 235,000 |
| 26 | Other salaries and wages | 26 | 133,091,159 | 121,715,835 | 8,512,351 |
| 27 | Pension plan contributions | 27 | 9,494,291 | 8,600,166 | 709,554 |
| 28 | Other employee benefits | 28 | 14,269,590 | 12,925,752 | 1,066,435 |
| 29 | Payroll taxes | 29 | 8,635,166 | 7,821,949 | 645,347 |
| 30 | Professional fundraising fees | 30 | | | |
| 31 | Accounting fees | 31 | 183,500 | 183,500 | |
| 32 | Legal fees | 32 | 827,729 | 133,502 | 694,227 |
| 33 | Supplies | 33 | 8,098,569 | 7,755,844 | 212,585 |
| 34 | Telephone | 34 | 715,718 | 627,324 | 58,568 |
| 35 | Postage and shipping | 35 | 1,824,690 | 1,444,172 | 45,429 |
| 36 | Occupancy | 36 | 14,736,335 | 14,156,048 | 480,342 |
| 37 | Equipment rental and maintenance | 37 | 1,786,822 | 1,755,404 | 29,371 |
| 38 | Printing and publications | 38 | 3,460,342 | 3,128,854 | 96,111 |
| 39 | Travel | 39 | 6,516,589 | 6,297,320 | 122,844 |
| 40 | Conferences, conventions, and meetings | 40 | 879,219 | 771,016 | 92,633 |
| 41 | Interest | 41 | 7,857,992 | 7,857,992 | |
| 42 | Depreciation, depletion, etc. (attach schedule) | 42 | 14,761,658 | 13,099,629 | 1,315,373 |
| 43 | Other expenses not covered above (itemize) a See Attached | 43a | 50,874,181 | 42,789,449 | 7,240,610 |
| b | | 43b | | | |
| c | | 43c | | | |
| d | | 43d | | | |
| e | | 43e | | | |
| f | | 43f | | | |
| 44 | Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15 | 44 | 348,908,964 | 319,712,437 | 23,333,513 |

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 page 25 of the instructions.)What is the organization's primary exempt purpose? ☒ Education

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.

| | | |
|---|---------------------------------------|-------------------------------------|
| a Instructional Total Student Enrollment | | |
| Summer 2003 - 4,256 | First Semester 2003/2004 - 11,161 | |
| Second Semester 2003/2004 - 10,835 | | |
| (Grants and allocations \$ 60,448,419) | | 239,120,798 |
| b Sponsored Research | | |
| Sponsored Research - \$13,442,461 | | |
| Institutional Research - \$4,301,989 | | |
| (Grants and allocations \$) | | 17,744,450 |
| c Auxiliary Activities | | |
| Apartment Operations - \$6,010,191 | Housing - \$9,639,753 | |
| Intercollegiate Athletics - \$29,505,251 | Fort Burgwin - \$267,436 | |
| Food Service - \$471,912 | (Grants and allocations \$ 8,383,762) | 45,894,543 |
| d Organized Activities | | |
| Community Services - \$3,440,015 | | |
| Conferences & Seminars - \$9,758,683 | | |
| Summer Camps - \$3,697,722 | (Grants and allocations \$) | 16,896,420 |
| e Other program services (attach schedule) | | (Grants and allocations \$) 56,226 |
| f Total of Program Service Expenses (should equal line 44, column (B), Program services) | | 319,712,437 |

Part IV Balance Sheets (See page 25 of the instructions.)

| Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only. | | | | (A) Beginning of year | | (B) End of year |
|---|---|---|-----------------------|--------------------------|---------------|--------------------|
| Assets | 45 | Cash—non-interest-bearing | | 1,759,977 | 45 | 4,611,558 |
| | 46 | Savings and temporary cash investments | | 114,242,313 | 46 | 127,232,182 |
| | 47 a | Accounts receivable | 47a 18,768,498 | | | |
| | b | Less: allowance for doubtful accounts | 47b 790,729 | 14,841,723 | 47c | 17,977,769 |
| | 48 a | Pledges receivable | 48a 33,866,452 | | | |
| | b | Less: allowance for doubtful accounts | 48b | 37,464,680 | 48c | 33,866,452 |
| | 49 | Grants receivable | | 1,794,940 | 49 | 1,747,217 |
| | 50 | Receivables from officers, directors, trustees, and key employees (attach schedule) | | | 50 | |
| | 51 a | Other notes and loans receivable (attach schedule) | 51a 14,421,140 | | | |
| | b | Less: allowance for doubtful accounts | 51b 309,007 | 14,449,790 | 51c | 14,112,133 |
| | 52 | Inventories for sale or use | | 332,305 | 52 | 286,649 |
| | 53 | Prepaid expenses and deferred charges | | 2,894,229 | 53 | 2,856,961 |
| | 54 | Investments—securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV | | 598,950,326 | 54 | 620,198,284 |
| | 55 a | Investments—land, buildings, and equipment: basis | 55a 29,861,326 | | | |
| | b | Less: accumulated depreciation (attach schedule) | 55b 170,353 | 22,744,023 | 55c | 29,690,973 |
| 56 | Investments—other (attach schedule) | | 200,772,641 | 56 | 259,192,068 | |
| 57 a | Land, buildings, and equipment: basis | 57a 549,875,293 | | | | |
| b | Less: accumulated depreciation (attach schedule) | 57b 174,596,874 | 355,022,948 | 57c | 375,278,419 | |
| 58 | Other assets (describe <input type="checkbox"/> See attached schedule) | | 6,391,597 | 58 | 6,918,132 | |
| 59 | Total assets (add lines 45 through 58) (must equal line 74) | | 1,371,661,492 | 59 | 1,493,968,797 | |
| Liabilities | 60 | Accounts payable and accrued expenses | | 38,464,646 | 60 | 25,489,072 |
| | 61 | Grants payable | | | 61 | |
| | 62 | Deferred revenue | | 16,360,391 | 62 | 19,129,307 |
| | 63 | Loans from officers, directors, trustees, and key employees (attach schedule) | | | 63 | |
| | 64 a | Tax-exempt bond liabilities (attach schedule) | | 254,309,184 | 64a | 274,737,000 |
| | b | Mortgages and other notes payable (attach schedule) | | 1,690,334 | 64b | 1,608,793 |
| | 65 | Other liabilities (describe <input type="checkbox"/> See Attached Schedule) | | 10,377,243 | 65 | 10,516,894 |
| 66 | Total liabilities (add lines 60 through 65) | | 321,201,798 | 66 | 331,481,066 | |
| 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 | | 562,804,694 | 67 | 662,672,731 |
| | 68 | Temporarily restricted | | 158,376,000 | 68 | 162,173,000 |
| | 69 | Permanently restricted | | 329,279,000 | 69 | 337,642,000 |
| | 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) | | 1,050,459,694 | 73 | 1,162,487,731 |
| | 74 | Total liabilities and net assets / fund balances (add lines 66 and 73) | | 1,371,661,492 | 74 | 1,493,968,797 |

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 page 27 of the 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 | 391,085,896 | a | Total expenses and losses per audited financial statements | a | 281,995,558 |
| b | Amounts included on line a but not on line 12, Form 990: | b | | b | Amounts included on line a but not on line 17, Form 990: | b | |
| (1) | Net unrealized gains on investments \$ 49,950,438 | (1) | | (1) | Donated services and use of facilities \$ | (1) | |
| (2) | Donated services and use of facilities \$ | (2) | | (2) | Prior year adjustments reported on line 20, Form 990 \$ | (2) | |
| (3) | Recoveries of prior year grants \$ | (3) | | (3) | Losses reported on line 20, Form 990 \$ | (3) | |
| (4) | Other (specify): | (4) | | (4) | Other (specify): | (4) | |
| | \$ | | | | \$ | | |
| | Add amounts on lines (1) through (4) | b | 49,950,438 | | Add amounts on lines (1) through (4) | b | |
| c | Line a minus line b | c | 341,135,458 | c | Line a minus line b | c | 281,995,558 |
| d | Amounts included on line 12, Form 990 but not on line a: | d | | d | Amounts included on line 17, Form 990 but not on line a: | d | |
| (1) | Investment expenses not included on line 6b, Form 990 \$ 5,878,575 | (1) | | (1) | Investment expenses not included on line 6b, Form 990 \$ 5,878,575 | (1) | |
| (2) | Other (specify): | (2) | | (2) | Other (specify): | (2) | |
| | \$ 64,010,719 | | | | \$ 61,034,831 | | |
| | Add amounts on lines (1) and (2) | d | 69,889,294 | | Add amounts on lines (1) and (2) | d | 66,913,406 |
| e | Total revenue per line 12, Form 990 (line c plus line d) | e | 411,024,752 | e | Total expenses per line 17, Form 990 (line c plus line d) | e | 348,908,964 |

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of the instructions.)

| (A) Name and address | (B) Title and average hours per week devoted to position | (C) Compensation (If not paid, enter -0-) | (D) Contributions to employee benefit plans & deferred compensation | (E) Expense account and other allowances |
|------------------------------|--|---|---|--|
| Name <u>See Attached</u> Str | Title | | | |
| City ST ZIP | Hr/WK | | | |
| Name Str | Title | | | |
| City ST ZIP | Hr/WK | | | |
| Name Str | Title | | | |
| City ST ZIP | Hr/WK | | | |
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| Name Str | Title | | | |
| City ST ZIP | Hr/WK | | | |
| Name Str | Title | | | |
| City ST ZIP | Hr/WK | | | |

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? If "Yes," attach schedule—see page 28 of the instructions.

Yes ☐ No ☒

Part VI Other Information (See page 28 of the 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 | 76 | X |
| 77 | Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes. | 77 | X |
| 78 a | Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? | 78a | X |
| b | If "Yes," has it filed a tax return on Form 990-T for this year? | 78b | X |
| 79 | Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement | 79 | X |
| 80 a | 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? | 80a | X |
| b | If "Yes," enter the name of the organization Peruna Properties, Inc., The Stadium Club, Inc., Pony Properties, Inc. and SMU Foundation for Research and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt. | | |
| 81 a | Enter direct and indirect political expenditures. See line 81 instructions | 81a | -0- |
| b | Did the organization file Form 1120-POL for this year? | 81b | X |
| 82 a | Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? | 82a | X |
| b | If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III) | 82b | |
| 83 a | Did the organization comply with the public inspection requirements for returns and exemption applications? | 83a | X |
| b | Did the organization comply with the disclosure requirements relating to quid pro quo contributions? | 83b | X |
| 84 a | Did the organization solicit any contributions or gifts that were not tax deductible? | 84a | X |
| 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? | 85a | |
| 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. | 85b | |
| 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 | X |
| 89 a | 501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under: section 4911 None ; section 4912 None ; section 4955 None | | |
| 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 | X |
| 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 | | |
| 90 a | List the states with which a copy of this return is filed Oklahoma | | |
| b | Number of employees employed in the pay period that includes March 12, 2003 (See instructions.) | 90b | 3,605 |
| 91 | The books are in care of SMU Controller's Office Telephone no (214) 768-2800 Located at 6425 Boaz Lane City Dallas ST TX Zip + 4 75205 | | |
| 92 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year 92 | | |

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)**Note:** Enter gross amounts unless otherwise indicated

| | Unrelated business income | | Excluded by section 512, 513, or 514 | | (E) |
|---|---------------------------|---------------|--------------------------------------|---------------|--------------------------------------|
| | (A) Business code | (B) Amount | (C) Exclusion code | (D) Amount | Related or exempt function income |
| 93 Program service revenue: | | | | | |
| a Tuition and Fees | | | | | 223,249,944 |
| b Organized Activities | | | | | 7,004,465 |
| c Auxiliary Activities | 541800 | 67,675 | See Attached | 4,605,532 | 22,623,050 |
| d Sponsored Research | | | 21 | 15,643,127 | |
| e Other | See Attached | -157,977 | See Attached | 4,790,384 | 12,947,162 |
| f Medicare/Medicaid payments | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 94 Membership dues and assessments | | | | | 91,796 |
| 95 Interest on savings and temporary cash investments | | | 14 | 2,059,476 | |
| 96 Dividends and interest from securities | | | 14 | 18,518,943 | |
| 97 Net rental income or (loss) from real estate: | | | | | |
| a debt-financed property | 531120 | -9,862 | | | |
| b not debt-financed property | | | 16 | 56,797 | |
| 98 Net rental income or (loss) from personal property | | | | | |
| 99 Other investment income | 211110 | 2,144 | See Attached | 4,700,524 | |
| 100 Gain or (loss) from sales of assets other than inventory | 531390 | -1,223 | 15 | 50,741,198 | |
| 101 Net income or (loss) from special events | | | 05 | 6,817 | |
| 102 Gross profit or (loss) from sales of inventory | | | | | |
| 103 Other revenue: a _____ | | | | | |
| b _____ | | | | | |
| c _____ | | | | | |
| d _____ | | | | | |
| e _____ | | | | | |
| 104 Subtotal (add columns (B), (D), and (E)) | | -99,243 | | 101,122,798 | 265,916,417 |
| 105 Total (add line 104, columns (B), (D), and (E)) | | | | | 366,939,972 |

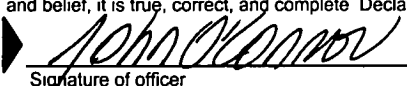
Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions.)

| 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 attached schedule |

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of 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 |
|--|---|-----------------------------|---------------------|---------------------------|
| N/A | | | | |

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of 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).

| | | |
|--------------------------|---|------|
| Please Sign Here | Under penalties of perjury, I declare that I have examined this return, including attachments and all information furnished to me, and believe it is true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on all information of which he or she has any knowledge. | |
| |  Signature of officer John O'Connor, Interim Vice President for Business/Finance Type or print name and title | |
| Paid Preparer's Use Only | Preparer's signature | Date |
| | Firm's name (or yours if self-employed), address, and ZIP + 4 | |

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information—(See separate instructions.)

OMB No 1545-0047

2003

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

Name of the organization

Southern Methodist University

Employer identification number

75-0800689

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 |
|---|--|------------------|---|--|
| Name See Attached Str City ST Zip Country | Title Avg hr/wk | | | |
| Name Str City ST Zip Country | Title Avg hr/wk | | | |
| Name Str City ST Zip Country | Title Avg hr/wk | | | |
| Name Str City ST Zip Country | Title Avg hr/wk | | | |
| Name Str City ST Zip Country | Title Avg hr/wk | | | |
| Total number of other employees paid over \$50,000 | 853 | | | |

Part II 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 |
|---|---|------------------|
| Name Hahnfeld Hoffer Stanford Str 1425 Eighth Avenue City Ft Worth ST TX ZIP 76104 Country | Check here if a business <input checked="" type="checkbox"/> Architect | 1,016,290 |
| Name The Hillier Group Str PO Box 31760 City Hartford ST CT ZIP 06150-1760 Country | Check here if a business <input checked="" type="checkbox"/> Program and Schematic Design | 829,163 |
| Name Washington Speakers Bureau Str 1663 Prince Street City Alexandria ST VA ZIP 22314 Country | Check here if a business <input checked="" type="checkbox"/> Talent Agency | 513,035 |
| Name Richards/Gravelle Str 8750 N Central Expressway, Suite 1200 City Dallas ST TX ZIP 75231 Country | Check here if a business <input checked="" type="checkbox"/> Advertising | 470,410 |
| Name Silchester Str 780 Third Avenue, 42nd Floor City New York ST NY ZIP 10017 Country | Check here if a business <input checked="" type="checkbox"/> Investment Manager Fees | 349,934 |
| Total number of others receiving over \$50,000 for professional services | 47 | |

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 ► \$ <u>198,439</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) | 1 | X |
| Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities. | | |
| 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) | | |
| a Sale, exchange, or leasing of property? | 2a | X |
| b Lending of money or other extension of credit? | 2b | X |
| c Furnishing of goods, services, or facilities? | 2c | X |
| d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? | 2d | X |
| e Transfer of any part of its income or assets? | 2e | X |
| 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.) | 3a | X |
| b Do you have a section 403(b) annuity plan for your employees? | 3b | X |
| 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? | 4 | X |

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 ►** _____ **City** _____ **ST** _____ **Country** _____
- 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 501(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 page 5 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) 2002 | (b) 2001 | (c) 2000 | (d) 1999 | (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 | | | | | |
| 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 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts | | | | | |
| c Total support for section 509(a)(1) test: Enter line 24, column (e) | | | | | |
| d Add: Amounts from column (e) for lines: | | | | | |
| 18 | | 19 | | | |
| 22 | | 26b | | | |
| e Public support (line 26c minus line 26d total) | | | | | |
| f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) | | | | | |
| 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: | | | | | |
| (2002) | (2001) | (2000) | (1999) | | |
| 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 11, 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: | | | | | |
| (2002) | (2001) | (2000) | (1999) | | |
| c Add: Amounts from column (e) for lines: | | | | | |
| 15 | | 16 | | | |
| 17 | | 20 | | 21 | |
| d Add: Line 27a total | | and line 27b total | | | |
| e Public support (line 27c total minus line 27d total) | | | | | |
| f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) | | | | | |
| g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) | | | | | |
| h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) | | | | | |
| 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 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? | 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.) ----- ----- ----- | 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 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**

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

| | | (a) Affiliated group totals | (b) To be completed for ALL electing organizations |
|----|---|-----------------------------------|---|
| 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— | | |
| | Not over \$500,000 | | |
| | Over \$500,000 but not over \$1,000,000 | | |
| | Over \$1,000,000 but not over \$1,500,000 | | |
| | Over \$1,500,000 but not over \$17,000,000 | | |
| | Over \$17,000,000 | | |
| | The lobbying nontaxable amount is— | | |
| | 20% of the amount on line 40 | | |
| | \$100,000 plus 15% of the excess over \$500,000 | | |
| | \$175,000 plus 10% of the excess over \$1,000,000 | | |
| | \$225,000 plus 5% of the excess over \$1,500,000 | | |
| | \$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) 2003 | (b) 2002 | (c) 2001 | (d) 2000 | (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 12 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 | X | | |
| b Paid staff or management (Include compensation in expenses reported on lines c through h.) | X | | |
| c Media advertisements | | X | |
| d Mailings to members, legislators, or the public | X | | 100 |
| e Publications, or published or broadcast statements | | X | |
| f Grants to other organizations for lobbying purposes | | X | |
| g Direct contact with legislators, their staffs, government officials, or a legislative body | X | | 198,339 |
| h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means | | X | |
| i Total lobbying expenditures (Add lines c through h.) | | | 198,439 |

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

Return by a U.S. Transferor of Property to a Foreign Corporation

OMB No 1545-0026

Attachment
Sequence No **128**

▶ **Attach to your income tax return.**

Part I U.S. Transferor Information (see instructions)

| | |
|---|---|
| Name of transferor Southern Methodist University | Identifying number (see instructions) 75-0800689 |
|---|---|

1 If the transferor was a corporation, complete questions 1a, 1b, and 1c.

a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? N/A

☐ Yes ☐ No

b Did the transferor remain in existence after the transfer?

☒ Yes ☐ No

If not, list the controlling shareholder(s) and their identifying number(s):

| Controlling shareholder | Identifying number |
|-------------------------|--------------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |

c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? N/A

☐ Yes ☐ No

If not, list the name and employer identification number (EIN) of the parent corporation:

| Name of parent corporation | EIN of parent corporation |
|----------------------------|---------------------------|
| | |

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), list the name and EIN of the transferor's partnership:

| Name of partnership | EIN of partnership |
|---------------------|--------------------|
| | |

Part II Transferee Foreign Corporation Information (see instructions)

| | |
|---|-------------------------------------|
| 3 Name of transferee (foreign corporation) Trifecta Resources, Inc. | 4 Identifying number, if any |
|---|-------------------------------------|

5 Address (including country)
410, 777 8 Avenue SW, Calgary, Alberta, Canada T2P 3R5

6 Country of incorporation or organization
Canada

7 Foreign law characterization (see instructions)
Partnership

8 Is the transferee foreign corporation a controlled foreign corporation? ☐ Yes ☒ No

For Paperwork Reduction Act Notice, see page 4.

Form **926** (Rev. 12-2003)

(HTA)

Part III Information Regarding Transfer of Property (see instructions)**9** Date of transfer

11/3/2003

10 Type of nonrecognition transaction (see instructions)

Section 351

11 Description of property transferred:

Cash (\$\$\$\$)

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation?☐ Yes☒ No**13** Was the transferor required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T (e.g., for tainted property, depreciation recapture, branch loss recapture, etc.)?☐ Yes☒ No**14 a** Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction?☐ Yes☒ No**b** If yes, describe the nature of the rights to the intangible property that was transferred in the transfer:

**Return by a Shareholder of a Passive Foreign
Investment Company or Qualified Electing Fund**

OMB No. 1545-1002

Attachment
Sequence No **69**

▶ See separate instructions.

| | | | |
|--|--------------------|---|---------|
| Name of shareholder Southern Methodist University | | Identifying number (see page 2 of instructions) 75-0800689 | |
| Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions) P.O. Box 750261 | | Shareholder tax year calendar year _____ or other tax year beginning 6/1/2003 and ending 5/31/2004 | |
| City or town Dallas | State TX | ZIP code 75275-0261 | Country |
| Check type of shareholder filing the return: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate | | | |
| Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) Great Point CLO 1999-1, LTD, C/O Maples & Calder | | Employer identification number (if any) N/A | |
| Address Ugland House, PO Box 309 | | Tax year of company or fund calendar year 2003 or other | |
| City Grand Cayman, Cayman Islands, British West Indies | | tax year beginning _____ and | |
| State Zip Country Cayman Islands | | ending _____ | |

Part I Elections (See instructions.)

- A** ☒ **Election to Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. Complete lines 1a through 2c of Part II.
- B** ☐ **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. Enter gain or loss on line 10f of Part IV.
- C** ☐ **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. Enter this amount on line 10e.
- D** ☐ **Election To Extend Time For Payment Of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.
Note: If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may **not** make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.
- E** ☐ **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). Enter gain on line 10f of Part IV.
- F** ☐ **Election To Mark-To-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). Complete Part III.

Part II Income From a Qualified Electing Fund (QEF). All QEF shareholders complete lines 1a through 2c.
If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

| | | | |
|---|-----------|------------|------------|
| 1a Enter your pro rata share of the ordinary earnings of the QEF | 1a | 112 | |
| b Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) | 1b | | |
| c Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income | 1c | | 112 |
| 2a Enter your pro rata share of the total net capital gain of the QEF | 2a | | |
| b Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) | 2b | | |
| c Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) | 2c | | |
| 3a Add lines 1c and 2c | 3a | | 112 |
| b Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) | 3b | | |
| c Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year | 3c | | |
| d Add lines 3b and 3c | 3d | | |
| e Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) Important: If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e. | 3e | | 112 |
| 4a Enter the total tax for the tax year (See instructions) | 4a | | |
| b Enter the total tax for the tax year determined without regard to the amount entered on line 3e | 4b | | |
| c Subtract line 4b from line 4a. This is the deferred tax, the time for payment of which is extended by making Election D. See instructions | 4c | | |

Part III Gain or (Loss) From Mark-to-Market Election (See page 5 of instructions.)

| | | | |
|---|---|---|--|
| 5 | Enter the fair market value of your PFIC stock at the end of the tax year | 5 | |
| 6 | Enter your adjusted basis in the stock at the end of the tax year | 6 | |
| 7 | Excess. Subtract line 6 from line 5. If a gain, stop here. Include this amount as ordinary income on your tax return. If a loss, go to line 8 | 7 | |
| 8 | Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. | 8 | |
| 9 | Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return | 9 | |

Part IV Distributions and Disposition of Stock in a Section 1291 Fund (See page 6 of instructions.)*Complete a separate Part IV for each excess distribution.*

| | | | |
|------|---|-----|--|
| 10 a | Enter your total distributions from the PFIC during the current tax year. If the holding period of the PFIC stock began in the current tax year, this amount is dividend income to the extent there are accumulated earnings and profits | 10a | |
| b | Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the company for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) | 10b | |
| c | Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) | 10c | |
| d | Multiply line 10c by 125%. Enter the lesser of line 10a or line 10d as a dividend on your income tax return | 10d | |
| e | Subtract line 10d from line 10a. This amount, if more than zero, is the total excess distribution. If zero or less and you did not dispose of stock during the tax year, do not complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year | 10e | |
| f | Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and do not complete line 11 | 10f | |
| 11 a | Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year. | | |
| b | Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income | 11b | |
| c | Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) | 11c | |
| d | Foreign tax credit (See instructions) | 11d | |
| e | Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax" (See instructions.) | 11e | |
| f | Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions) | 11f | |

Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections*Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.*

| | (i) | (ii) | (iii) | (iv) | (v) | (vi) |
|----|---|------|-------|------|-----|------|
| 1 | Tax year of outstanding election | | | | | |
| 2 | Undistributed earnings to which the election relates | | | | | |
| 3 | Deferred tax | | | | | |
| 4 | Interest accrued on deferred tax (line 3) as of the filing date | | | | | |
| 5 | Event terminating election | | | | | |
| 6 | Earnings distributed or deemed distributed during the tax year | | | | | |
| 7 | Deferred tax due with this return | | | | | |
| 8 | Accrued interest due with this return | | | | | |
| 9 | Deferred tax outstanding after partial termination of election | | | | | |
| 10 | Interest accrued after partial termination of election | | | | | |

**Return by a Shareholder of a Passive Foreign
Investment Company or Qualified Electing Fund**

OMB No. 1545-1002

Attachment
Sequence No **69**

▶ See separate instructions.

| | | | |
|--|--------------------|--|---------|
| Name of shareholder Southern Methodist University | | Identifying number (see page 2 of instructions) 75-0800689 | |
| Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.) P.O. Box 750261 | | Shareholder tax year: calendar year _____ or other tax year beginning 6/1/2003 and ending 5/31/2004 | |
| City or town Dallas | State TX | ZIP code 75275-0261 | Country |
| Check type of shareholder filing the return. <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate | | | |
| Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) Brant Point CBO 1999-1, LTD, C/O Maples & Calder | | Employer identification number (if any) N/A | |
| Address Ugland House, PO Box 309 | | Tax year of company or fund: calendar year 2003 or other | |
| City Grand Cayman, Cayman Islands, British West Indies | | tax year beginning _____ and | |
| State Zip Country Cayman Islands | | ending _____ | |

Part I Elections (See instructions.)

- A** ☒ **Election to Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. Complete lines 1a through 2c of Part II.
- B** ☐ **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. Enter gain or loss on line 10f of Part IV.
- C** ☐ **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. Enter this amount on line 10e.
- D** ☐ **Election To Extend Time For Payment Of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.
Note: If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may **not** make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.
- E** ☐ **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). Enter gain on line 10f of Part IV.
- F** ☐ **Election To Mark-To-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). Complete Part III.

Part II Income From a Qualified Electing Fund (QEF). All QEF shareholders complete lines 1a through 2c.
If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

| | | | |
|--|-----------|-----|-----|
| 1a Enter your pro rata share of the ordinary earnings of the QEF | 1a | 120 | |
| b Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) | 1b | | |
| c Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income | 1c | | 120 |
| 2a Enter your pro rata share of the total net capital gain of the QEF | 2a | | |
| b Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) | 2b | | |
| c Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) | 2c | | |
| 3a Add lines 1c and 2c | 3a | | 120 |
| b Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) | 3b | | |
| c Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year | 3c | | |
| d Add lines 3b and 3c | 3d | | |
| e Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) Important: If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e | 3e | | 120 |
| 4a Enter the total tax for the tax year (See instructions.) | 4a | | |
| b Enter the total tax for the tax year determined without regard to the amount entered on line 3e | 4b | | |
| c Subtract line 4b from line 4a. This is the deferred tax, the time for payment of which is extended by making Election D. See instructions | 4c | | |

Part III Gain or (Loss) From Mark-to-Market Election (See page 5 of instructions.)

| | | | |
|---|---|---|--|
| 5 | Enter the fair market value of your PFIC stock at the end of the tax year | 5 | |
| 6 | Enter your adjusted basis in the stock at the end of the tax year | 6 | |
| 7 | Excess. Subtract line 6 from line 5. If a gain, stop here. Include this amount as ordinary income on your tax return. If a loss, go to line 8 | 7 | |
| 8 | Enter any unreversed inclusions (as defined in section 1296(d)). See instructions | 8 | |
| 9 | Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return | 9 | |

Part IV Distributions and Disposition of Stock in a Section 1291 Fund (See page 6 of instructions.)*Complete a separate Part IV for each excess distribution.*

| | | | |
|------|---|-----|--|
| 10 a | Enter your total distributions from the PFIC during the current tax year. If the holding period of the PFIC stock began in the current tax year, this amount is dividend income to the extent there are accumulated earnings and profits | 10a | |
| b | Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the company for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) | 10b | |
| c | Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3) | 10c | |
| d | Multiply line 10c by 125%. Enter the lesser of line 10a or line 10d as a dividend on your income tax return | 10d | |
| e | Subtract line 10d from line 10a. This amount, if more than zero, is the total excess distribution. If zero or less and you did not dispose of stock during the tax year, do not complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year | 10e | |
| f | Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and do not complete line 11 | 10f | |
| 11 a | Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year. | | |
| b | Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income | 11b | |
| c | Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) | 11c | |
| d | Foreign tax credit. (See instructions.) | 11d | |
| e | Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) | 11e | |
| f | Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) | 11f | |

Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections*Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.*

| | (i) | (ii) | (iii) | (iv) | (v) | (vi) |
|----|---|------|-------|------|-----|------|
| 1 | Tax year of outstanding election | | | | | |
| 2 | Undistributed earnings to which the election relates | | | | | |
| 3 | Deferred tax | | | | | |
| 4 | Interest accrued on deferred tax (line 3) as of the filing date | | | | | |
| 5 | Event terminating election | | | | | |
| 6 | Earnings distributed or deemed distributed during the tax year | | | | | |
| 7 | Deferred tax due with this return | | | | | |
| 8 | Accrued interest due with this return | | | | | |
| 9 | Deferred tax outstanding after partial termination of election | | | | | |
| 10 | Interest accrued after partial termination of election | | | | | |

**Return by a Shareholder of a Passive Foreign
Investment Company or Qualified Electing Fund**

OMB No. 1545-1002

Attachment
Sequence No **69**

▶ See separate instructions.

| | | | | | |
|--|--------------------|-------------------------------|---|--|--|
| Name of shareholder Southern Methodist University | | | Identifying number (see page 2 of instructions) 75-0800689 | | |
| Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.) P.O. Box 750261 | | | Shareholder tax year: calendar year _____ or other tax year beginning 6/1/2003 and ending 5/31/2004 | | |
| City or town Dallas | State TX | ZIP code 75275-0261 | Country _____ | | |
| Check type of shareholder filing the return: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate | | | | | |
| Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) Brant Point II CBO 2000-1, LTD, C/O Maples & Calder | | | Employer identification number (if any) N/A | | |
| Address Ugland House, PO Box 309 | | | Tax year of company or fund: calendar year 2003 or other tax year beginning _____ and ending _____ | | |
| City Grand Cayman, Cayman Islands, British West Indies | State _____ | Zip _____ | Country Cayman Islands | | |

Part I Elections (See instructions.)

- A** ☒ **Election to Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. Complete lines 1a through 2c of Part II.
- B** ☐ **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. Enter gain or loss on line 10f of Part IV.
- C** ☐ **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. Enter this amount on line 10e.
- D** ☐ **Election To Extend Time For Payment Of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.
Note: If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may **not** make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.
- E** ☐ **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). Enter gain on line 10f of Part IV.
- F** ☐ **Election To Mark-To-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). Complete Part III.

Part II Income From a Qualified Electing Fund (QEF). All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

| | | | |
|--|-----------|-----------|-----------|
| 1a Enter your pro rata share of the ordinary earnings of the QEF | 1a | 79 | |
| b Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) | 1b | | |
| c Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income | 1c | | 79 |
| 2a Enter your pro rata share of the total net capital gain of the QEF | 2a | | |
| b Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) | 2b | | |
| c Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) | 2c | | |
| 3a Add lines 1c and 2c | 3a | | 79 |
| b Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) | 3b | | |
| c Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year | 3c | | |
| d Add lines 3b and 3c | 3d | | |
| e Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) Important: If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e | 3e | | 79 |
| 4a Enter the total tax for the tax year. (See instructions.) | 4a | | |
| b Enter the total tax for the tax year determined without regard to the amount entered on line 3e | 4b | | |
| c Subtract line 4b from line 4a. This is the deferred tax, the time for payment of which is extended by making Election D. See instructions | 4c | | |

Part III Gain or (Loss) From Mark-to-Market Election (See page 5 of instructions.)

| | | | |
|---|---|---|--|
| 5 | Enter the fair market value of your PFIC stock at the end of the tax year | 5 | |
| 6 | Enter your adjusted basis in the stock at the end of the tax year | 6 | |
| 7 | Excess. Subtract line 6 from line 5. If a gain, stop here. Include this amount as ordinary income on your tax return. If a loss, go to line 8 | 7 | |
| 8 | Enter any unreversed inclusions (as defined in section 1296(d)) See instructions. | 8 | |
| 9 | Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return | 9 | |

Part IV Distributions and Disposition of Stock in a Section 1291 Fund (See page 6 of instructions.)*Complete a separate Part IV for each excess distribution.*

| | | | |
|------|---|-----|--|
| 10 a | Enter your total distributions from the PFIC during the current tax year. If the holding period of the PFIC stock began in the current tax year, this amount is dividend income to the extent there are accumulated earnings and profits | 10a | |
| b | Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the company for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) | 10b | |
| c | Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3) | 10c | |
| d | Multiply line 10c by 125%. Enter the lesser of line 10a or line 10d as a dividend on your income tax return | 10d | |
| e | Subtract line 10d from line 10a. This amount, if more than zero, is the total excess distribution. If zero or less and you did not dispose of stock during the tax year, do not complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year | 10e | |
| f | Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and do not complete line 11 | 10f | |
| 11 a | Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year. | | |
| b | Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income | 11b | |
| c | Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years) (See instructions) | 11c | |
| d | Foreign tax credit. (See instructions.) | 11d | |
| e | Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) | 11e | |
| f | Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here (See instructions.) | 11f | |

Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections*Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.*

| | (i) | (ii) | (iii) | (iv) | (v) | (vi) |
|----|---|------|-------|------|-----|------|
| 1 | Tax year of outstanding election | | | | | |
| 2 | Undistributed earnings to which the election relates | | | | | |
| 3 | Deferred tax | | | | | |
| 4 | Interest accrued on deferred tax (line 3) as of the filing date | | | | | |
| 5 | Event terminating election | | | | | |
| 6 | Earnings distributed or deemed distributed during the tax year | | | | | |
| 7 | Deferred tax due with this return | | | | | |
| 8 | Accrued interest due with this return | | | | | |
| 9 | Deferred tax outstanding after partial termination of election | | | | | |
| 10 | Interest accrued after partial termination of election | | | | | |

**Return by a Shareholder of a Passive Foreign
Investment Company or Qualified Electing Fund**

OMB No. 1545-1002

Attachment
Sequence No. **69**

▶ See separate instructions.

| | | | |
|--|--------------------|--|---------|
| Name of shareholder Southern Methodist University | | Identifying number (see page 2 of instructions) 75-0800689 | |
| Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.) P.O. Box 750261 | | Shareholder tax year: calendar year _____ or other tax year beginning 6/1/2003 and ending 5/31/2004 | |
| City or town Dallas | State TX | ZIP code 75275-0261 | Country |
| Check type of shareholder filing the return: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate | | | |
| Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) BOCP/BFIP Wireless Cayman Corp., C/O The Blackstone Group | | Employer identification number (if any) 13-4116429 | |
| Address 345 Park Avenue | | Tax year of company or fund: calendar year 2003 or other | |
| City New York | | tax year beginning _____ and | |
| State NY Zip 10154 Country | | ending _____ | |

Part I Elections (See instructions.)

- A** ☒ **Election to Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. Complete lines 1a through 2c of Part II.
- B** ☐ **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. Enter gain or loss on line 10f of Part IV.
- C** ☐ **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. Enter this amount on line 10e.
- D** ☐ **Election To Extend Time For Payment Of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.
Note: If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may **not** make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.
- E** ☐ **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). Enter gain on line 10f of Part IV.
- F** ☐ **Election To Mark-To-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). Complete Part III.

Part II Income From a Qualified Electing Fund (QEF). All QEF shareholders complete lines 1a through 2c.
If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

| | | | |
|--|----------------|--|--|
| 1a Enter your pro rata share of the ordinary earnings of the QEF | 1a None | | |
| b Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) | 1b | | |
| c Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income | 1c None | | |
| 2a Enter your pro rata share of the total net capital gain of the QEF | 2a None | | |
| b Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) | 2b | | |
| c Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) | 2c None | | |
| 3a Add lines 1c and 2c | 3a None | | |
| b Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) | 3b None | | |
| c Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year | 3c | | |
| d Add lines 3b and 3c | 3d None | | |
| e Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) Important: If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e | 3e | | |
| 4a Enter the total tax for the tax year (See instructions.) | 4a | | |
| b Enter the total tax for the tax year determined without regard to the amount entered on line 3e | 4b | | |
| c Subtract line 4b from line 4a. This is the deferred tax, the time for payment of which is extended by making Election D. See instructions | 4c | | |

Part III Gain or (Loss) From Mark-to-Market Election (See page 5 of instructions.)

| | | | |
|---|---|---|--|
| 5 | Enter the fair market value of your PFIC stock at the end of the tax year | 5 | |
| 6 | Enter your adjusted basis in the stock at the end of the tax year | 6 | |
| 7 | Excess. Subtract line 6 from line 5. If a gain, stop here. Include this amount as ordinary income on your tax return. If a loss, go to line 8 | 7 | |
| 8 | Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. | 8 | |
| 9 | Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return | 9 | |

Part IV Distributions and Disposition of Stock in a Section 1291 Fund (See page 6 of instructions.)*Complete a separate Part IV for each excess distribution.*

| | | | |
|------|---|-----|--|
| 10 a | Enter your total distributions from the PFIC during the current tax year. If the holding period of the PFIC stock began in the current tax year, this amount is dividend income to the extent there are accumulated earnings and profits | 10a | |
| b | Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the company for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) | 10b | |
| c | Divide line 10b by 3 (See instructions if the number of preceding tax years is less than 3.) | 10c | |
| d | Multiply line 10c by 125%. Enter the lesser of line 10a or line 10d as a dividend on your income tax return | 10d | |
| e | Subtract line 10d from line 10a. This amount, if more than zero, is the total excess distribution. If zero or less and you did not dispose of stock during the tax year, do not complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year | 10e | |
| f | Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and do not complete line 11 | 10f | |
| 11 a | Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year. | | |
| b | Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income | 11b | |
| c | Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years) (See instructions.) | 11c | |
| d | Foreign tax credit. (See instructions.) | 11d | |
| e | Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) | 11e | |
| f | Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here (See instructions.) | 11f | |

Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections*Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.*

| | (i) | (ii) | (iii) | (iv) | (v) | (vi) |
|----|---|------|-------|------|-----|------|
| 1 | Tax year of outstanding election | | | | | |
| 2 | Undistributed earnings to which the election relates | | | | | |
| 3 | Deferred tax | | | | | |
| 4 | Interest accrued on deferred tax (line 3) as of the filing date | | | | | |
| 5 | Event terminating election | | | | | |
| 6 | Earnings distributed or deemed distributed during the tax year | | | | | |
| 7 | Deferred tax due with this return | | | | | |
| 8 | Accrued interest due with this return | | | | | |
| 9 | Deferred tax outstanding after partial termination of election | | | | | |
| 10 | Interest accrued after partial termination of election | | | | | |

Controlled Foreign Partnership Reporting

The taxpayer was required to file Forms 8865, but is not doing so under the constructive owners exception.

The taxpayer has an interest in the following, which filed Forms 8865.

Private Advisors Small Company Buyout Fund LP
1801 Bayberry Court, Suite 303
Richmond, VA 23226

The taxpayer would have had to file Forms 8865 for its indirect ownership in the funds listed below but for this exception.

Resource Capital Fund III L.P.
1400 Sixteenth Street, Suite 200
Denver, CO 80202
EIN# 98-0392930

Resource Capital Fund II L.P.
c/o Eastpoint Management, LLC
330 Old Country Road, Suite 204
Mineola, NY 11501
EIN # 98-0219543

Controlled Foreign Partnership Reporting

The taxpayer was required to file Form 8865, but is not doing so under the constructive owners exception.

The taxpayer has an interest in the following, which filed Form 8865.

Private Advisors Small Company Buyout Fund II LP
1801 Bayberry Court, Suite 303
Richmond, VA 23226

The taxpayer would have had to file Form 8865 for its indirect ownership in the fund listed below but for this exception.

Resource Capital Fund III L.P.
1400 Sixteenth Street, Suite 200
Denver, CO 80202
EIN# 98-0392930

Form

8865

Return of U.S. Persons With Respect to Certain Foreign Partnerships

▶ **Attach to your tax return. See separate instructions.**

OMB No 1545-1668

2003Department of the Treasury
Internal Revenue Service

Information furnished for the foreign partnership's tax year
beginning **1/1/2003**, and ending **12/31/2003**

Attachment
Sequence No **118**

Name of person filing this return

Southern Methodist University

Filer's identifying number

75-0800689

Filer's address (if you are not filing this form with your tax return)

Address

PO Box 750261

City **Dallas** ST **TX** Zip **75275-0261**

A Category of filer (see **Categories of Filers** in the instructions and check applicable box(es))

1 ☐ 2 ☒ 3 ☐ 4 ☐

B Filer's tax year beginning **6/1/2003**, and ending **5/31/2004**C Filer's share of liabilities: Nonrecourse \$ **-0-** Qualified nonrecourse financing \$ **-0-** Other \$ **-0-**

D If filer is a member of a consolidated group but not the parent, enter the following information about the parent:

Name

EIN

Address

City

ST

Zip

E Information about certain other partners (see instructions)

| (1) Name | (2) Address | (3) Identifying number | (4) Check applicable box(es) | | |
|----------|-------------|------------------------|------------------------------|------------|--------------------|
| | | | Category 1 | Category 2 | Constructive owner |
| | | | | | |
| | | | | | |
| | | | | | |

F1 Name and address of foreign partnership

Name **Doughty Hanson & Co Fund II Limited Partnership Number 3**Address **45 Pall Mall**City **London SW1Y 5JG** ST Zip Country **United Kingdom**

2 EIN (if any)

None

3 Country under whose laws organized

United Kingdom

| | | | | | |
|---|--|--|---|---------------------------------------|--|
| 4 Date of organization October 1995 | 5 Principal place of business United Kingdom | 6 Principal business activity code number 523900 | 7 Principal business activity Other financial investment activity | 8a Functional currency Euro | 8b Exchange rate (see instr.) 0.8756 |
|---|--|--|---|---------------------------------------|--|

G Provide the following information for the foreign partnership's tax year:

| | | | | | |
|---|--|--|---|--|--|
| 1 Name, address, and identifying number of agent (if any) in the US. Name Not Applicable ID Number Address City ST Zip | | | 2 Check if the foreign partnership must file: N/A <input type="checkbox"/> Form 1042 <input type="checkbox"/> Form 8804 <input type="checkbox"/> Form 1065 or 1065-B Service Center where Form 1065 or 1065-B is filed: | | |
| 3 Name and address of foreign partnership's agent in country of organization, if any Name Not Applicable Address City ST Zip Country | | | 4 Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different Name Doughty Hanson & Co Limited Address 45 Pall Mall City London SW1Y 5 JG ST Zip Country Location of Books/Records if different | | |

5 Were any special allocations made by the foreign partnership? ▶ ☐ Yes ☒ No6 Number of foreign disregarded entities owned by the partnership (attach list) ▶ ☐ None7 How is this partnership classified under the law of the country in which it is organized? ▶ **English Limited Partnership**8 Did the partnership own any separate units within the meaning of Regulations section 1.1503-2(c)(3) or (4)? ▶ ☐ Yes ☐ No

9 Does this partnership meet both of the following requirements?

- The partnership's total receipts for the tax year were less than \$250,000 and
- The value of the partnership's total assets at the end of the tax year was less than \$600,000.

} ▶ ☐ Yes ☐ No

If "Yes," do not complete Schedules L, M-1, and M-2.

| | | | | |
|---|---|------|---|------------------------|
| Sign Here Only If You Are Filing This Form Separately and Not With Your Tax Return | 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 general partner or limited liability company member) is based on all information of which preparer has any knowledge | | | |
| | Signature of general partner or limited liability company member | | Date | |
| Paid Preparer Sign and Complete Only If Form Is Filed Separately. | Preparer's signature | Date | Check if self-employed <input type="checkbox"/> | Preparer's SSN or PTIN |
| | Firm's name (or yours if self-employed), address, and ZIP code | | EIN | Phone no. ZIP code |

For Paperwork Reduction Act Notice, see the separate instructions.

Form **8865** (2003)

(HTA)

Schedule A**Constructive Ownership of Partnership Interest.** Check the boxes that apply to the filer.If you check box **b**, enter the name, address, and U.S. taxpayer identifying number (if any) of the person(s) whose interest you constructively own. See instructions.**a** ☒ Owns a direct interest**b** ☐ Owns a constructive interest

| Name | Address | Identifying number (if any) | Check if foreign person | Check if direct partner |
|------|---------|-----------------------------|-------------------------|-------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Schedule A-1 Certain Partners of Foreign Partnership (see instructions)

| Name | Address | Identifying number (if any) | Check if foreign person |
|------|---------|-----------------------------|-------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Does the partnership have any other foreign person as a direct partner?

☐ **Yes**☐ **No****Schedule A-2****Affiliation Schedule.** List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest.

| Name | Address | EIN (if any) | Total ordinary income or loss | Check if foreign partnership |
|----------------|---------|--------------|-------------------------------|------------------------------|
| Not Applicable | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Schedule B**Income Statement—Trade or Business Income****Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

| | | | | | | |
|---|--|---|-----|----|-----|--|
| Income | 1 a | Gross receipts or sales | 1a | | | |
| | b | Less returns and allowances | 1b | | 1c | |
| | 2 | Cost of goods sold | | | 2 | |
| | 3 | Gross profit. Subtract line 2 from line 1c | | | 3 | |
| | 4 | Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule) | | | 4 | |
| | 5 | Net farm profit (loss) (attach Schedule F (Form 1040)) | | | 5 | |
| | 6 | Net gain (loss) from Form 4797, Part II, line 18 | | | 6 | |
| Deductions (see pg 8 of the instr. for limitations) | 7 | Other income (loss) (attach schedule) | | | 7 | |
| | 8 | Total income (loss). Combine lines 3 through 7 | | | 8 | |
| | 9 | Salaries and wages (other than to partners) (less employment credits) | | | 9 | |
| | 10 | Guaranteed payments to partners | | | 10 | |
| | 11 | Repairs and maintenance | | | 11 | |
| | 12 | Bad debts | | | 12 | |
| | 13 | Rent | | | 13 | |
| | 14 | Taxes and licenses | | | 14 | |
| | 15 | Interest | | | 15 | |
| | 16 a | Depreciation (if required, attach Form 4562) | 16a | | | |
| | b | Less depreciation reported elsewhere on return | 16b | | 16c | |
| | 17 | Depletion (Do not deduct oil and gas depletion) | | | 17 | |
| | 18 | Retirement plans, etc. | | | 18 | |
| | 19 | Employee benefit programs | | | 19 | |
| | 20 | Other deductions (attach schedule) | | | 20 | |
| | 21 | Total deductions. Add the amounts shown in the far right column for lines 9 through 20 | | | 21 | |
| 22 | Ordinary income (loss) from trade or business activities Subtract line 21 from line 8 | | | 22 | | |

Form **8865****Return of U.S. Persons With Respect to
Certain Foreign Partnerships**

OMB No. 1545-1668

2003Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return. See separate instructions.

Information furnished for the foreign partnership's tax year
beginning **1/1/2003** and ending **12/31/2003**Attachment
Sequence No. **118**

Name of person filing this return

Southern Methodist University

Filer's identifying number

75-0800689

Filer's address (If you are not filing this form with your tax return)

**PO Box 750261
Dallas, TX 75275-0261**

A Category of filer (see Categories of Filers in the instructions and check applicable box(es)):

1 ☐ 2 ☐ 3 ☒ 4 ☐B Filer's tax year beginning **June 01, 2003** and ending **May 31, 2004**C Filer's share of liabilities: Nonrecourse \$ **-0-**Qualified nonrecourse financing \$ **-0-**Other \$ **-0-**

D If filer is a member of a consolidated group but not the parent, enter the following information about the parent:

Name

EIN

Address

E Information about certain other partners (see instructions)

| (1) Name | (2) Address | (3) Identifying number | (4) Check applicable box(es) | | |
|-----------------------|-------------|------------------------|------------------------------|------------|--------------------|
| | | | Category 1 | Category 2 | Constructive owner |
| NOT APPLICABLE | | | | | |
| | | | | | |
| | | | | | |

F1 Name and address of foreign partnership

**PANAM SPORTS FUND IV LIMITED PARTNERSHIP
C/O HICKS, MUSE, TATE, & FURST INCORPORATED
200 CRESCENT COURT, SUITE 1600; DALLAS, TX 75201**

2 EIN (if any)

98-0211025

3 Country under whose laws organized

CAYMAN ISLANDS

4 Date of organization

5 Principal place of business

6 Principal business activity code number

7 Principal business activity

8a Functional currency

8b Exchange rate (see instr.)

7/15/1999**CAYMAN ISLANDS 525990****INVESTMENTS****U.S. DOLLAR**

G Provide the following information for the foreign partnership's tax year:

1 Name, address, and identifying number of agent (if any) in the United States

NOT APPLICABLE

2 Check if the foreign partnership must file:

☐ Form 1042 ☐ Form 8804 ☒ Form 1065 or 1065-B

Service Center where Form 1065 or 1065-B is filed

PHILADELPHIA, PA

3 Name and address of foreign partnership's agent in country of organization, if any

**HUNTLOW CORPORATE SERVICES LIMITED
THE HUNTLOW BUILDING, FORT STREET
GEORGETOWN, GRAND CAYMAN, CAYMAN ISLANDS**

4 Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different

**DAVID W. KNICKEL
HICKS, MUSE, TATE, & FURST INCORPORATED
200 CRESCENT COURT, SUITE 1600
DALLAS, TX 75201**5 Were any special allocations made by the foreign partnership? ☐ Yes ☒ No6 Number of foreign disregarded entities owned by the partnership (attach list) **NONE**7 How is this partnership classified under the law of the country in which it is organized? **EXEMPTED LIMITED PARTNERSHIP**8 Did the partnership own any separate units within the meaning of Regulations section 1.1503-2(c)(3) or (4)? ☐ Yes ☐ No9 Does this partnership meet both of the following requirements? **NOT APPLICABLE**

• The partnership's total receipts for the tax year were less than \$250,000 and

• The value of the partnership's total assets at the end of the tax year was less than \$600,000.

☐ Yes ☐ No

If "Yes," do not complete Schedules L, M-1, and M-2.

NOT APPLICABLESign Here
Only If You
Are Filing
This Form
Separately
and Not With
Your Tax
Return

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 general partner or limited liability company member) is based on all information of which preparer has any knowledge

Signature of general partner or limited liability company member

Date

Paid Preparer
Sign and
Complete
Only If Form
is Filed
Separately.Preparer's
signature

Date

Check if
self-
employed ☐

Preparer's SSN or PTIN

Firm's name (or
yours if self-employed),
address, and ZIP codeEIN
Phone no.

For Paperwork Reduction Act Notice, see the separate instructions.

Form **8865** (2003)

Schedule A

Constructive Ownership of Partnership Interest. Check the boxes that apply to the filer. If you check box b, enter the name, address, and U.S. taxpayer identifying number (if any) of the person(s) whose interest you constructively own. See instructions.

a ☐ Owns a direct interestb ☐ Owns a constructive interest

| Name | Address | Identifying number (if any) | Check if foreign person | Check if direct partner |
|------|---------|-----------------------------|-------------------------|-------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Schedule A-1 Certain Partners of Foreign Partnership (see instructions)

| Name | Address | Identifying number (if any) | Check if foreign person |
|--|---------|-----------------------------|-------------------------|
| NOT APPLICABLE - PARTNERS OWNS LESS THAN 10% IN TRANSFEREE PARTNERSHIP AND TRANSFERRED SOLELY CASH. | | | |
| | | | |
| | | | |
| | | | |

Does the partnership have any other foreign person as a direct partner?

Yes

No

Schedule A-2

Affiliation Schedule. List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest.

| Name | Address | EIN (if any) | Total ordinary income or loss | Check if foreign partnership |
|---|--|-------------------|-------------------------------|------------------------------|
| PAN AMERICAN SPORTS PARTNERS COMPANY | C/O HICKS, MUSE, TATE, & FURST INCORPORATED | 98-0208123 | NONE | X |
| | 200 CRESCENT COURT, | | | |
| | SUITE 1600 | | | |
| | DALLAS, TX 75201 | | | |

Schedule B**Income Statement - Trade or Business Income**

Caution: Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

| | | | | | | |
|--|---|---|-----|----|-----|--|
| Income | 1a | Gross receipts or sales | 1a | | 1c | |
| | b | Less returns and allowances | 1b | | 2 | |
| | 2 | Cost of goods sold | | | 3 | |
| | 3 | Gross profit. Subtract line 2 from line 1c | | | 4 | |
| | 4 | Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule) | | | 5 | |
| | 5 | Net farm profit (loss) (attach Schedule F (Form 1040)) | | | 6 | |
| | 6 | Net gain (loss) from Form 4797, Part II, line 18 | | | 7 | |
| Deductions (see page 8 of the instructions for limitations) | 7 | Other income (loss) (attach schedule) | | | 8 | |
| | 8 | Total Income (loss). Combine lines 3 through 7 | | | 9 | |
| | 9 | Salaries and wages (other than to partners) (less employment credits) | | | 10 | |
| | 10 | Guaranteed payments to partners | | | 11 | |
| | 11 | Repairs and maintenance | | | 12 | |
| | 12 | Bad debts | | | 13 | |
| | 13 | Rent | | | 14 | |
| | 14 | Taxes and licenses | | | 15 | |
| | 15 | Interest | | | 16a | |
| | 16a | Depreciation (if required, attach Form 4562) | 16a | | 16b | |
| | b | Less depreciation reported elsewhere on return | 16b | | 16c | |
| | 17 | Depletion (Do not deduct oil and gas depletion.) | | | 17 | |
| | 18 | Retirement plans, etc. | | | 18 | |
| | 19 | Employee benefit programs | | | 19 | |
| | 20 | Other deductions (attach schedule) | | | 20 | |
| 21 | Total deductions. Add the amounts shown in the far right column for lines 9 through 20. | | | 21 | | |
| 22 | Ordinary Income (loss) from trade or business activities Subtract line 21 from line 8. . . | | | 22 | | |

**SCHEDULE O
(Form 8865)**Department of the Treasury
Internal Revenue Service**Transfer of Property to a Foreign Partnership
(under section 6038B)**

▶ Attach to Form 8865. See instructions for Form 8865.

OMB No 1545-1668

2003

Name of transferor

Southern Methodist University

Filer's identifying number

75-0800689

Name of foreign partnership

PANAM SPORTS FUND IV LIMITED PARTNERSHIP**Part I Transfers Reportable Under Section 6038B**

| Type of property | (a) Date of transfer | (b) Number of items transferred | (c) Fair market value on date of transfer | (d) Cost or other basis | (e) Section 704(c) allocation method | (f) Gain recognized on transfer | (g) Percentage interest in partnership after transfer |
|---|-------------------------|------------------------------------|--|----------------------------|---|------------------------------------|--|
| Cash | 3/31/2003 | | 22,003 | | | | .527060 |
| Marketable securities | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Inventory | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Tangible property used in trade or business | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Intangible property | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Other property | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Supplemental Information Required To Be Reported (see instructions):

Part II Dispositions Reportable Under Section 6038B

| (a) Type of property | (b) Date of original transfer | (c) Date of disposition | (d) Manner of disposition | (e) Gain recognized by partnership | (f) Depreciation recapture recognized by partnership | (g) Gain allocated to partner | (h) Depreciation recapture allocated to partner |
|-------------------------|----------------------------------|----------------------------|------------------------------|---------------------------------------|---|----------------------------------|--|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Part III

Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)?

☐ Yes☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 8865.

Schedule O (Form 8865) 2003

Form **8865****Return of U.S. Persons With Respect to
Certain Foreign Partnerships**

OMB No. 1545-1668

2003Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return. See separate instructions.

Information furnished for the foreign partnership's tax year
beginning **1/1/2003**, and ending **12/31/2003**Attachment
Sequence No. **118**

Name of person filing this return

Southern Methodist University

Filer's identifying number

75-0800689

Filer's address (if you are not filing this form with your tax return)

PO Box 750261**Dallas, TX 75275-0261**

A Category of filer (see Categories of Filers in the instructions and check applicable box(es)):

1 ☐2 ☐3 ☒4 ☐B Filer's tax year beginning **June 01, 2003**, and ending **May 31, 2004**C Filer's share of liabilities: Nonrecourse \$ **-0-**Qualified nonrecourse financing \$ **-0-**Other \$ **-0-**

D If filer is a member of a consolidated group but not the parent, enter the following information about the parent:

Name

EIN

Address

E Information about certain other partners (see instructions)

| (1) Name | (2) Address | (3) Identifying number | (4) Check applicable box(es) | | |
|-----------------------|-------------|------------------------|------------------------------|------------|--------------------|
| | | | Category 1 | Category 2 | Constructive owner |
| NOT APPLICABLE | | | | | |
| | | | | | |
| | | | | | |

F1 Name and address of foreign partnership

HMTF EQUITY FUND IV (1999) CAYMAN, L.P.**C/O HICKS, MUSE, TATE, & FURST INCORPORATED****200 CRESCENT COURT, SUITE 1600; DALLAS, TX 75201**

2 EIN (if any)

98-0214613

3 Country under whose laws organized

CAYMAN ISLANDS

4 Date of organization

5 Principal place of business

6 Principal business activity code number

7 Principal business activity

8a Functional currency

8b Exchange rate (see instr.)

12/07/1999**CAYMAN ISLANDS****525990****INVESTMENTS****U.S. DOLLAR**

G Provide the following information for the foreign partnership's tax year:

1 Name, address, and identifying number of agent (if any) in the United States

NOT APPLICABLE

2 Check if the foreign partnership must file:

☐ Form 1042☐ Form 8804☒ Form 1065 or 1065-B

Service Center where Form 1065 or 1065-B is filed:

PHILADELPHIA, PA

3 Name and address of foreign partnership's agent in country of organization, if any

HUNTLOW CORPORATE SERVICES LIMITED**THE HUNTLOW BUILDING, 75 FORT STREET****P.O. BOX 190 GT****GEORGETOWN, GRAND CAYMAN, CAYMAN ISLANDS**

4 Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different

DAVID W. KNICKEL**HICKS, MUSE, TATE, & FURST INCORPORATED****200 CRESCENT COURT, SUITE 1600****DALLAS, TX 75201**5 Were any special allocations made by the foreign partnership? ☐ Yes ☒ No6 Number of foreign disregarded entities owned by the partnership (attach list) ☐ NONE7 How is this partnership classified under the law of the country in which it is organized? ☐ EXEMPTED LIMITED PARTNERSHIP8 Did the partnership own any separate units within the meaning of Regulations section 1.1503-2(c)(3) or (4)? ☐ Yes ☐ No

9 Does this partnership meet both of the following requirements?

• The partnership's total receipts for the tax year were less than \$250,000 and

• The value of the partnership's total assets at the end of the tax year was less than \$600,000.

NOT APPLICABLE☐ Yes ☐ No

If "Yes," do not complete Schedules L, M-1, and M-2.

NOT APPLICABLESign Here Only if You Are Filing This Form Separately and Not With Your Tax Return
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 general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member

Date

Paid Preparer Sign and Complete Only if Form Is Filed Separately.

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no.

For Paperwork Reduction Act Notice, see the separate instructions.

Form **8865** (2003)

Schedule A

Constructive Ownership of Partnership Interest. Check the boxes that apply to the filer. If you check box b, enter the name, address, and U.S. taxpayer identifying number (if any) of the person(s) whose interest you constructively own. See instructions.

a ☐ Owns a direct interestb ☐ Owns a constructive interest

| Name | Address | Identifying number (if any) | Check if foreign person | Check if direct partner |
|------|---------|-----------------------------|-------------------------|-------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Schedule A-1 Certain Partners of Foreign Partnership (see instructions)

| Name | Address | Identifying number (if any) | Check if foreign person |
|---|---------|-----------------------------|-------------------------|
| N/A - PARTNER TRANSFERRED ONLY CASH AND OWNS LESS THAN 10% INTEREST | | | |
| | | | |
| | | | |

Does the partnership have any other foreign person as a direct partner? ☒ Yes ☐ No**Schedule A-2 Affiliation Schedule.** List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest.

| Name | Address | EIN (if any) | Total ordinary income or loss | Check if foreign partnership |
|--------------------------------|---|--------------|-------------------------------|------------------------------|
| SEED ACQUISITION, C.V. | C/O HICKS, MUSE, TATE, & | 75-2793161 | N/A | X |
| INTERNATIONAL SEED HOLDING, LP | FURST INCORPORATED 200 CRESCENT COURT, | 98-0214611 | N/A | X |
| HI CAYMAN, LP | SUITE 1600 DALLAS, TX 75201 | 98-0336528 | N/A | X |

Schedule B Income Statement - Trade or Business Income

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

| | | | | | | |
|---|---|---|-----|----|-----|--|
| Income | 1a | Gross receipts or sales | 1a | | 1c | |
| | b | Less returns and allowances | 1b | | 1c | |
| | 2 | Cost of goods sold | | | 2 | |
| | 3 | Gross profit. Subtract line 2 from line 1c | | | 3 | |
| | 4 | Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule) | | | 4 | |
| | 5 | Net farm profit (loss) (attach Schedule F (Form 1040)) | | | 5 | |
| | 6 | Net gain (loss) from Form 4797, Part II, line 18 | | | 6 | |
| Deductions (see page 8 of the instructions for limitations) | 7 | Other income (loss) (attach schedule) | | | 7 | |
| | 8 | Total income (loss). Combine lines 3 through 7. | | | 8 | |
| | 9 | Salaries and wages (other than to partners) (less employment credits) | | | 9 | |
| | 10 | Guaranteed payments to partners | | | 10 | |
| | 11 | Repairs and maintenance | | | 11 | |
| | 12 | Bad debts | | | 12 | |
| | 13 | Rent | | | 13 | |
| | 14 | Taxes and licenses | | | 14 | |
| | 15 | Interest | | | 15 | |
| | 16a | Depreciation (if required, attach Form 4562) | 16a | | 16c | |
| | b | Less depreciation reported elsewhere on return | 16b | | 16c | |
| | 17 | Depletion (Do not deduct oil and gas depletion.) | | | 17 | |
| | 18 | Retirement plans, etc. | | | 18 | |
| | 19 | Employee benefit programs | | | 19 | |
| | 20 | Other deductions (attach schedule) | | | 20 | |
| 21 | Total deductions. Add the amounts shown in the far right column for lines 9 through 20. | | | 21 | | |
| 22 | Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8. | | | 22 | | |

**SCHEDULE O
(Form 8865)**Department of the Treasury
Internal Revenue Service**Transfer of Property to a Foreign Partnership
(under section 6038B)**

▶ Attach to Form 8865. See instructions for Form 8865.

OMB No. 1545-1668

2003

Name of transferor

Filer's identifying number

Southern Methodist University

75-0800689

Name of foreign partnership

HMTF EQUITY FUND IV (1999) CAYMAN, L.P.**Part I****Transfers Reportable Under Section 6038B**

| Type of property | (a) Date of transfer | (b) Number of items transferred | (c) Fair market value on date of transfer | (d) Cost or other basis | (e) Section 704(c) allocation method | (f) Gain recognized on transfer | (g) Percentage interest in partnership after transfer |
|---|-------------------------|------------------------------------|--|----------------------------|---|------------------------------------|--|
| Cash | 03/25/03 | | 14,358 | | | | .527059 |
| Marketable securities | | | | | | | |
| Inventory | | | | | | | |
| Tangible property used in trade or business | | | | | | | |
| Intangible property | | | | | | | |
| Other property | | | | | | | |

Supplemental Information Required To Be Reported (see instructions):**Part II****Dispositions Reportable Under Section 6038B**

| (a) Type of property | (b) Date of original transfer | (c) Date of disposition | (d) Manner of disposition | (e) Gain recognized by partnership | (f) Depreciation recapture recognized by partnership | (g) Gain allocated to partner | (h) Depreciation recapture allocated to partner |
|-------------------------|----------------------------------|----------------------------|------------------------------|---------------------------------------|---|----------------------------------|--|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Part III

Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)?

☐ Yes☐ No

For Paperwork Reduction Act Notice, see the instructions for Form 8865.

Schedule O (Form 8865) 2003

Form **8865****Return of U.S. Persons With Respect to
Certain Foreign Partnerships**

OMB No 1545-1668

2003▶ **Attach to your tax return. See separate instructions.**Department of the Treasury
Internal Revenue ServiceInformation furnished for the foreign partnership's tax year
beginning 1/1/2003 , and ending 12/31/2003Attachment
Sequence No **118**

| | | | | | |
|--|---|--|---|---|--|
| Name of person filing this return Southern Methodist University | | | Filer's identifying number 75-0800689 | | |
| Filer's address (if you are not filing this form with your tax return) Address PO Box 750261 City Dallas ST TX Zip 75275-0261 | | | A Category of filer (see Categories of Filers in the instructions and check applicable box(es)) 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> | | |
| | | | B Filer's tax year beginning 6/1/2003 , and ending 5/31/2004 | | |
| C Filer's share of liabilities: Nonrecourse \$ -0- Qualified nonrecourse financing \$ -0- Other \$ -0- | | | | | |
| D If filer is a member of a consolidated group but not the parent, enter the following information about the parent: | | | | | |
| Name | | | EIN | | |
| Address | | | | | |
| City | | | ST Zip | | |
| E Information about certain other partners (see instructions) | | | | | |
| (1) Name | | (2) Address | | (3) Identifying number | (4) Check applicable box(es) |
| | | | | | Category 1 Category 2 Constructive owner |
| | | | | | |
| | | | | | |
| | | | | | |
| F1 Name and address of foreign partnership | | | | | |
| Name Doughty Hanson & Co Fund III Limited Partnership Number 6 | | | | 2 EIN (if any) 98-0179559 | |
| Address 45 Pall Mall | | | | 3 Country under whose laws organized United Kingdom | |
| City London SW1Y 5JG ST Zip | | Country United Kingdom | | | |
| 4 Date of organization 11/4/1997 | 5 Principal place of business United Kingdom | 6 Principal business activity code number 523900 | 7 Principal business activity financial investment activity | 8a Functional currency USD | 8b Exchange rate (see instr.) |
| G Provide the following information for the foreign partnership's tax year: | | | | | |
| 1 Name, address, and identifying number of agent (if any) in the US. Name Not Applicable ID Number Address City ST Zip | | | 2 Check if the foreign partnership must file: N/A <input type="checkbox"/> Form 1042 <input type="checkbox"/> Form 8804 <input type="checkbox"/> Form 1065 or 1065-B Service Center where Form 1065 or 1065-B is filed: | | |
| 3 Name and address of foreign partnership's agent in country of organization, if any Name Not Applicable Address City ST Zip Country | | | 4 Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different Name Doughty Hanson & Co Limited Address 45 Pall Mall City London SW1Y 5 JG ST Zip Country Location of Books/Records if different | | |
| 5 Were any special allocations made by the foreign partnership? ▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | |
| 6 Number of foreign disregarded entities owned by the partnership (attach list) ▶ None | | | | | |
| 7 How is this partnership classified under the law of the country in which it is organized? ▶ English Limited Partnership | | | | | |
| 8 Did the partnership own any separate units within the meaning of Regulations section 1.1503-2(c)(3) or (4)? ▶ <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | |
| 9 Does this partnership meet both of the following requirements? • The partnership's total receipts for the tax year were less than \$250,000 and • The value of the partnership's total assets at the end of the tax year was less than \$600,000. } ▶ <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | |
| If "Yes," do not complete Schedules L, M-1, and M-2. | | | | | |
| Sign Here Only If You Are Filing This Form Separately and Not With Your Tax Return | 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 general partner or limited liability company member) is based on all information of which preparer has any knowledge | | | | |
| | Signature of general partner or limited liability company member | | | Date | |
| Paid Preparer Sign and Complete Only If Form is Filed Separately. | Preparer's signature | | Date | Check if self-employed <input type="checkbox"/> | Preparer's SSN or PTIN |
| | Firm's name (or yours if self-employed), address, and ZIP code | | EIN | | Phone no. |
| | State | | ZIP code | | |

For Paperwork Reduction Act Notice, see the separate instructions.

Form **8865** (2003)

(HTA)

Schedule A

Constructive Ownership of Partnership Interest. Check the boxes that apply to the filer. If you check box **b**, enter the name, address, and U.S. taxpayer identifying number (if any) of the person(s) whose interest you constructively own. See instructions.

a ☒ Owns a direct interestb ☐ Owns a constructive interest

| Name | Address | Identifying number (if any) | Check if foreign person | Check if direct partner |
|------|---------|-----------------------------|-------------------------|-------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Schedule A-1 Certain Partners of Foreign Partnership (see instructions)

| Name | Address | Identifying number (if any) | Check if foreign person |
|----------------------------|--------------------------------------|-----------------------------|-------------------------|
| The Rockefeller University | 1230 York Avenue, New York, NY | | |
| | 10021-6399, United States of America | | |
| | | | |
| | | | |

Does the partnership have any other foreign person as a direct partner? ☐ Yes ☐ No**Schedule A-2 Affiliation Schedule.** List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest.

| Name | Address | EIN (if any) | Total ordinary income or loss | Check if foreign partnership |
|----------------|---------|--------------|-------------------------------|------------------------------|
| Not Applicable | | | | |
| | | | | |
| | | | | |
| | | | | |

Schedule B Income Statement—Trade or Business Income**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

| | | | | | | |
|---|---|---|-----|--|----|-----|
| Income | 1 a | Gross receipts or sales | 1a | | | |
| | b | Less returns and allowances | 1b | | | 1c |
| | 2 | Cost of goods sold | | | | 2 |
| | 3 | Gross profit. Subtract line 2 from line 1c | | | | 3 |
| | 4 | Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule) | | | | 4 |
| | 5 | Net farm profit (loss) (attach Schedule F (Form 1040)) | | | | 5 |
| | 6 | Net gain (loss) from Form 4797, Part II, line 18 | | | | 6 |
| Deductions (see pg 8 of the instr for limitations) | 7 | Other income (loss) (attach schedule) | | | | 7 |
| | 8 | Total income (loss). Combine lines 3 through 7 | | | | 8 |
| | 9 | Salaries and wages (other than to partners) (less employment credits) | | | | 9 |
| | 10 | Guaranteed payments to partners | | | | 10 |
| | 11 | Repairs and maintenance | | | | 11 |
| | 12 | Bad debts | | | | 12 |
| | 13 | Rent | | | | 13 |
| | 14 | Taxes and licenses | | | | 14 |
| | 15 | Interest | | | | 15 |
| | 16 a | Depreciation (if required, attach Form 4562) | 16a | | | |
| | b | Less depreciation reported elsewhere on return | 16b | | | 16c |
| | 17 | Depletion (Do not deduct oil and gas depletion) | | | | 17 |
| | 18 | Retirement plans, etc | | | | 18 |
| | 19 | Employee benefit programs | | | | 19 |
| | 20 | Other deductions (attach schedule) | | | | 20 |
| 21 | Total deductions. Add the amounts shown in the far right column for lines 9 through 20 | | | | 21 | |
| 22 | Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8 | | | | 22 | |

SCHEDULE O
(Form 8865)Department of the Treasury
Internal Revenue Service**Transfer of Property to a Foreign Partnership**
(under section 6038B)▶ **Attach to Form 8865. See Instructions for Form 8865.**

OMB No 1545-1668

2003

Name of transferor

Southern Methodist University

Filer's identifying number

75-0800689

Name of foreign partnership

Doughty Hanson & Co Fund III, Limited Partnership Number 6

Part I Transfers Reportable Under Section 6038B

| Type of property | (a) Date of transfer | (b) Number of items transferred | (c) Fair market value on date of transfer | (d) Cost or other basis | (e) Section 704(c) allocation method | (f) Gain recognized on transfer | (g) Percentage interest in partnership after transfer |
|---|-------------------------|------------------------------------|--|----------------------------|---|------------------------------------|--|
| Cash | 7/1/2003 | | 191,923 | | | | 11.6279 % |
| Marketable securities | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Inventory | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Tangible property used in trade or business | | | | | | | |
| | | | | | | | |
| Intangible property | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Other property | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Supplemental Information Required To Be Reported (see instructions):**Part II Dispositions Reportable Under Section 6038B**

| (a) Type of property | (b) Date of original transfer | (c) Date of disposition | (d) Manner of disposition | (e) Gain recognized by partnership | (f) Depreciation recapture recognized by partnership | (g) Gain allocated to partner | (h) Depreciation recapture allocated to partner |
|-------------------------|----------------------------------|----------------------------|------------------------------|---------------------------------------|---|----------------------------------|--|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Part III Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)?▶ ☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 8865.

Schedule O (Form 8865) 2003

(HTA)

**SCHEDULE O
(Form 8865)**Department of the Treasury
Internal Revenue Service**Transfer of Property to a Foreign Partnership
(under section 6038B)**▶ **Attach to Form 8865. See Instructions for Form 8865.**

OMB No 1545-1668

2003

Name of transferor

Southern Methodist University

Filer's identifying number

75-0800689

Name of foreign partnership

Doughty Hanson & Co Fund III, Limited Partnership Number 6

Part I Transfers Reportable Under Section 6038B

| Type of property | (a) Date of transfer | (b) Number of items transferred | (c) Fair market value on date of transfer | (d) Cost or other basis | (e) Section 704(c) allocation method | (f) Gain recognized on transfer | (g) Percentage interest in partnership after transfer |
|---|-------------------------|------------------------------------|--|----------------------------|---|------------------------------------|--|
| Cash | 1/2/2003 | | 131,821 | | | | 11.6279 % |
| Marketable securities | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Inventory | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Tangible property used in trade or business | | | | | | | |
| | | | | | | | |
| Intangible property | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Other property | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Supplemental Information Required To Be Reported (see instructions):**Part II Dispositions Reportable Under Section 6038B**

| (a) Type of property | (b) Date of original transfer | (c) Date of disposition | (d) Manner of disposition | (e) Gain recognized by partnership | (f) Depreciation recapture recognized by partnership | (g) Gain allocated to partner | (h) Depreciation recapture allocated to partner |
|-------------------------|----------------------------------|----------------------------|------------------------------|---------------------------------------|---|----------------------------------|--|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Part III Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)?▶ ☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 8865.

Schedule O (Form 8865) 2003

(HTA)

Southern Methodist University

75-0800689
Form 990 -2003
May 31, 2004

Part I

Line 7- Other Investment Income

| | <u>AMOUNT</u> |
|--------------------------------------|-------------------------|
| Mortgage Notes Interest Income | 721,002 |
| Mineral Interest Revenue | 3,506,157 |
| Funds Held in Trust by Others Income | <u>475,509</u> |
| Total | <u><u>4,702,668</u></u> |

Southern Methodist University
75-0800689
Form 990-2003
Part I
May 31, 2004

Line 8 c and d- Gains (loss)

Securities

Amount

Publicly Traded Securities

Proceeds from Sales of Publicly Traded Securities

536,067,115

Less Carrying Value of Assets Sold

485,574,541

Realized Gains on Sales of Publicly Traded Securities

50,492,574

Non-Publicly Traded Securities

| <u>Description</u> | <u>Date of Acquisition</u> | <u>Method of Acquisition</u> | <u>Date Sold</u> | <u>Purchased By</u> | <u>Net Sale</u> | <u>Value of Acquisition</u> | <u>Carrying Value</u> | <u>Gain (Loss)</u> |
|--|----------------------------|------------------------------|------------------|---|-----------------|-----------------------------|-----------------------|--------------------|
| Club Corp International, 27,284 shares | 11/18/03 | Gift | 05/24/04 | Club Corp International | 314,260 | 245,367 | 314,260 | 68,893 |
| The Citizens National Bank of Hillsboro 40 shares | 03/12/98 | Gift | 01/07/04 | The Citizens National Bank of Hillsboro | 92,000 | 14,000 | 92,000 | 78,000 |
| Realized Gains on Sales of Publicly Traded Securities | | | | | 406,260 | 259,367 | 406,260 | 146,893 |

Total Realized Gains on Sales of Securities

50,639,467

Real Estate and Other Property

| <u>Description</u> | <u>Date of Acquisition</u> | <u>Method of Acquisition</u> | <u>Date Sold</u> | <u>Purchased By</u> | <u>Net Sale</u> | <u>Cost Value of Acquisition</u> | <u>Carrying Value</u> | <u>Gain (Loss)</u> |
|---|----------------------------|------------------------------|------------------|---|-----------------|----------------------------------|-----------------------|--------------------|
| Tract 8 (1/2 Ac) Adolph Prejean Survey, Orange County, TX | 12/11/64 | Gift | 01/20/04 | Becky Aleman | 2,240 | 2,134 | 2,134 | 106 |
| Lots 9 & 10 (1Ac), Adolph Prejean Svy, Orange County, TX | 12/28/65 | Gift | 01/20/04 | Becky Aleman | 4,213 | 4,000 | 4,000 | 213 |
| 2/3 of SMU's 15 9% interest in Property at 3333 Gus Thomasson, Mesquite, TX | 09/01/71 | Gift | 06/30/03 | East Town Plaza SC, Ltd., a Texas Limited Partnership | 84,916 | 9,802 | 9,802 | 75,114 |
| 1/3 of SMU's 15 9% interest in Property at 3333 Gus Thomasson, Mesquite, TX | 09/01/71 | Gift | 06/30/03 | East Town Plaza SC, Ltd., a Texas Limited Partnership | 42,458 | 4,901 | 4,901 | 37,557 |
| SMU's 15 interest in Land at Marsh & Keller Springs, Carrollton, TX | 11/26/84 | Gift | 03/23/04 | The Rudman Partnership | 4,460 | 6,942 | 6,942 | (2,482) |
| House located at 3109 Spring Grove, Bedford, TX | 09/04/03 | Gift | 12/08/03 | Kristi Hoffman | 115,000 | 125,000 | 125,000 | (10,000) |
| Realized Gains on Sales of Real Estate | | | | | 253,287 | 152,779 | 152,779 | 100,508 |

Total Gains on Sales of Investments and Other Assets

50,739,975

Southern Methodist University

Form 990- 2003

May 31, 2004

75-0800689

Part I

Line 9 -Special Fundraising Events and Activities

| | <u>Gross Revenue</u> | <u>Contributions not included in gross receipts</u> | <u>Gross revenue excluding contributions</u> | <u>Direct expenses</u> | <u>Net income</u> |
|----------------|--------------------------|---|--|----------------------------|-----------------------|
| Silent Auction | <u>7,291</u> | <u>0</u> | <u>7,291</u> | <u>474</u> | <u>6,817</u> |
| Total | <u><u>7,291</u></u> | <u><u>0</u></u> | <u><u>7,291</u></u> | <u><u>474</u></u> | <u><u>6,817</u></u> |

Southern Methodist University

75-0800689

Form 990 -2003

Part I

May 31, 2004

Line 20 - Other changes in net assets or fund balances

AMOUNT

Unrealized gains on investments

49,950,438

75-0800689
Form 990- 2003
Net Assets Reconciliation
May 31, 2004

| | <u>Amount</u> |
|---|-----------------------------|
| Net assets reported on line 21, Part I | 1,162,525,920 |
| Adjustments- | |
| Unrelated business income and expenses not reflected in SMU's financial statements at year end: | |
| Intercollegiate Athletics- program advertising income | (33,205) |
| SMU Southwest Review- advertising income | (4,750) |
| Landreth oil royalties | (2,144) |
| Landreth oil lease expenses | <u>1,910</u> |
| | <u><u>1,162,487,731</u></u> |
| Net assets reported on Line 73, Part IV, column (B) | <u><u>1,162,487,731</u></u> |

Southern Methodist University

75-0800689

Form 990 -2003

Part II

May 31, 2004

Line 22, Column B

A list of recipients of scholarships and fellowships is on file at the University 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 such students receiving scholarships are judged worthy by the institution's assessment on the basis of academic achievement, financial need and other similar standards.

Southern Methodist University

75-0800689
Form 990- 2003
Part II and Part IV
May 31, 2004

Line 42- Depreciation (Part II)

Line 57- Depreciation Assets (Part IV)

| <u>Assets</u> | <u>Date Acquired</u> | <u>Book Value</u> | <u>Accumulated Depreciation</u> | <u>Useful Life</u> | <u>Current Depreciation</u> |
|--|----------------------|----------------------|-------------------------------------|------------------------|---------------------------------|
| Buildings | Various | \$401,236,083 | \$131,290,826 | 20-50 years | \$9,353,158 |
| Land Improvements | Various | 25,632,020 | 12,986,779 | 20-50 years | 970,058 |
| Equipment | Various | 81,406,457 | 30,319,269 | 4-10 years | 4,438,442 |
| Land | Various | 41,601,293 | - | - | - |
| Total | | <u>\$549,875,853</u> | <u>\$174,596,874</u> | | |
| Total Net Depreciation per Part II line 42 | | | | | <u>\$14,761,658</u> |
| Assets- Beginning of the Year | | \$517,585,595 | | | |
| Plus Net Current Year Additions | | <u>32,290,258</u> | | | |
| Total | | <u>\$549,875,853</u> | | | |

*See attached Part II Line 42- Depreciation expense allocation among categories

Southern Methodist University

75-0800689

Form 990- 2003

Part II -Depreciation Expense

May 31, 2004

Line 42- Depreciation Expense Allocation Among Categories

| | Program <u>Services</u> | Direct Cost Management <u>General</u> | <u>Fundraising</u> | <u>Total</u> |
|-----------------------------|----------------------------|---|--------------------|--------------------|
| Salaries and Wages | 119,234,999 | 10,167,084 | 3,039,619 | 132,441,702 |
| Employee Benefits | 28,787,952 | 2,375,140 | 617,827 | 31,780,919 |
| Supplies | 7,627,350 | 209,063 | 127,983 | 7,964,396 |
| Telephone | 648,585 | 60,553 | 30,837 | 739,975 |
| Postage and Shipping | 1,443,502 | 45,408 | 334,934 | 1,823,844 |
| Equipment Rentals & Maint | 986,041 | 16,498 | 1,150 | 1,003,689 |
| Printing and Publications | 4,002,548 | 122,949 | 301,103 | 4,426,600 |
| Property Costs | 1,600,728 | 1,194,307 | 7,739 | 2,802,774 |
| Computer Costs | 5,648,046 | 252,770 | 250,363 | 6,151,179 |
| Other Professional Services | 12,701,867 | 249,879 | 140,453 | 13,092,199 |
| Miscellaneous | <u>13,390,330</u> | <u>4,994,518</u> | <u>336,673</u> | <u>18,721,521</u> |
| Total | <u>196,071,948</u> | <u>19,688,169</u> | <u>5,188,681</u> | <u>220,948,798</u> |
| Percentage - | 88.741% | 8.911% | 2.348% | 100.000% |
| Allocation - | <u>13,099,629</u> | <u>1,315,373</u> | <u>346,656</u> | <u>14,761,658</u> |

Southern Methodist University

75-0800689
Form 990- 2003
Part II
May 31, 2004

Line 43- Other Expenses

| | <u>Total (A)</u> | <u>Program Services (B)</u> | <u>Management General (C)</u> | <u>Fundraising (D)</u> |
|---|--------------------------|-------------------------------------|---------------------------------------|----------------------------|
| a) Public Relations | 5,182,041 | 4,601,398 | 480,359 | 100,284 |
| b) Books & Periodicals | 4,571,396 | 4,571,060 | 336 | - |
| c) Property Costs | 2,832,349 | 1,617,619 | 1,206,910 | 7,820 |
| d) Computer Costs | 6,274,038 | 5,760,856 | 257,818 | 255,364 |
| e) Other Professionals/Outside Services | 13,103,246 | 12,712,585 | 250,091 | 140,570 |
| g) Miscellaneous | <u>18,911,111</u> | <u>13,525,931</u> | <u>5,045,096</u> | <u>340,084</u> |
| Total | <u><u>50,874,181</u></u> | <u><u>42,789,449</u></u> | <u><u>7,240,610</u></u> | <u><u>844,122</u></u> |

Southern Methodist University

75-0800689
Form 990- 2003
May 31, 2004

Part III -Statement of Program Service Activities

Line e - Other Program Service Activities

AMOUNT

Student Loan Fund administrative expenses

(56,226)

Total

(56,226)

Southern Methodist University

75-0800689

Form 990 - 2003

Prior Period Adjustments to Balance Sheet

May 31, 2004

Part IV, Column A

Line 54 - Investments - securities
Line 55(c) - Investments - land, buildings, and equipment less accumulated depreciation
Line 58 - Other Assets
Line 60 - Accounts Payable and Accrued Expenses
Line 62 - Deferred Revenue
Line 64 (a) - Tax-Exempt Bond Liabilities

The amounts shown in Column A, Beginning of Year, have been changed to reflect the prior period adjustments reported on the University's financials.

Southern Methodist University
75-0800689
Form 990- 2003
Part IV-Balance Sheets
May 31, 2004

Line 51 (a)- Other Notes and Loans Receivable
(b)- Allowance for doubtful accounts

| <u>Borrower's Name</u> | <u>Borrower's Relationship to any Officers, Directors or Key Employee</u> | <u>Original Amount</u> | <u>Balance Due</u> | <u>Date of note</u> | <u>Maturity date</u> | <u>Repayment terms</u> | <u>Interest Rate</u> | <u>Security</u> | <u>Purpose of Loan</u> |
|---|---|------------------------|--------------------|---------------------|----------------------|------------------------|----------------------|---|-----------------------------|
| <u>Unrestricted Fund</u> | | | | | | | | | |
| McKinley, Maytor H | None | 18,627 | 18,627 | 2/28/92 | 5/04/09 | Monthly | 14% | Assignment of 3% interest in The McKinley Group corporate | Carey Lynn McKinley tuition |
| Wesley Foundation | None | 280,000 | 274,819 | 11/22/02 | 12/01/12 | Quarterly | 5 29% | Deed of trust | |
| William Lawrence | Dean of Theology | 42,500 | 16,528 | 06/30/02 | 06/30/05 | Monthly | 0% | None | Mortgage payment |
| Scott Somers | Employee | 53,200 | 36,944 | 05/24/02 | 04/29/08 | Monthly | 0% | None | Employee loan |
| Randall Powell | Employee | 24,614 | 18,461 | 12/31/01 | 10/19/06 | Annual | 0% | None | Employee loan |
| Miscellaneous Notes Receivable | None | - | <u>1,551</u> | | | | | | |
| Total notes receivable-Current Unrestricted | | | <u>366,930</u> | | | | | | |
| <u>Restricted Fund</u> | | | | | | | | | |
| Student Notes Receivable | None | | 6,222,061 | | | | | | |
| Allowance for doubtful accounts | | | <u>(47,000)</u> | | | | | | |
| Total notes receivable-Restricted Fund | | | <u>6,175,061</u> | | | | | | |
| <u>Plant Fund</u> | | | | | | | | | |
| SMU Bookstore Park Cities Plaza | None | 1,000,000 | 817,551 | 05/31/01 | 06/01/11 | Monthly | 12 41% | None | Leasehold Improvements |
| Holt & Schneeman | None | 433,393 | 359,829 | 07/09/99 | 07/09/14 | Annually | 7 75% | Property acquired | Sale of donated land |
| Lambda Chi Alpha | None | 54,962 | 22,609 | 01/01/98 | 09/01/07 | Semi-annual | 6% | None | Computer network connection |
| Lambda Chi Alpha | None | 12,000 | 5,845 | 08/01/01 | 08/01/06 | Quarterly | 6% | None | Fire Security System |
| Sigma Alpha Epsilon | None | 52,543 | 24,348 | 01/01/98 | 09/01/07 | Semi-annual | 6% | None | Computer network connection |
| Tri-Delta | None | 50,000 | 26,092 | 11/01/02 | 11/01/05 | Monthly | 6% | None | |
| Sigma Chi | None | 48,425 | <u>19,920</u> | 01/01/98 | 09/01/07 | Semi-annual | 6% | None | Computer network connection |
| Total notes receivable - Plant Fund | | | <u>1,276,194</u> | | | | | | |

Endowment Fund

| | | | | | | | | | |
|---------------------------|------|-----------|----------------|---------|----------|-----------|-------|-----------------------------|-----------------------------|
| Dixie Rice | None | 1,500,000 | 337,500 | 1/3/89 | 6/30/06 | Quarterly | 7.5% | 200,000 shares common stock | Acquired as gift |
| Sigma Chi | None | 502,181 | 341,887 | 9/01/93 | 09/01/14 | Monthly | 8.14% | Deed of trust | |
| Chi Omega | None | 44,000 | 17,015 | 6/25/93 | 08/01/08 | Quarterly | 6.50% | Deed of trust | |
| Mortgage notes receivable | None | | <u>60,679</u> | | | | | Property acquired | Faculty and staff mortgages |
| | | | <u>757,081</u> | | | | | | |

Loan Fund

| | | | | | | | | | |
|---|--|-------------------|--|--|--|--|--|--|--------------|
| Total Student Loan Fund- notes receivable | | 5,798,874 | | | | | | | Student Loan |
| Allowance for doubtful accounts | | <u>(262,007)</u> | | | | | | | |
| Total notes receivable- Loan Fund | | <u>5,536,867</u> | | | | | | | |
| | | 14,421,140 | | | | | | | |
| Total Notes Receivable | | <u>(309,007)</u> | | | | | | | |
| | | <u>14,112,133</u> | | | | | | | |

Southern Methodist University

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Form 990- 2003
Part IV- Balance Sheets
May 31, 2004

Line 54- Investments-Securities

| | | Bonds | | | | Total |
|----------------------|---------------------------|-----------------------------|--------------------------|--------------------|---------------------------|-------------------------------|
| | <u>Stocks</u> | Corporate & <u>Other</u> | <u>Federal</u> | <u>State/Local</u> | <u>Total Bonds</u> | <u>Stocks & Bonds</u> |
| Current Unrestricted | 4,859,483 | 1,832,530 | 1,090,835 | 208 | 2,923,573 | 7,783,056 |
| Current Restricted | 807,705 | - | - | - | - | 807,705 |
| Endowment | 396,891,419 | 125,881,373 | 846,008 | | 126,727,381 | 523,618,800 |
| Plant Fund | 231,765 | - | 79,865,429 | - | 79,865,429 | 80,097,194 |
| Annuity | <u>5,024,873</u> | <u>2,866,656</u> | | | <u>2,866,656</u> | <u>7,891,529</u> |
| Total | <u><u>407,815,245</u></u> | <u><u>130,580,559</u></u> | <u><u>81,802,272</u></u> | <u><u>208</u></u> | <u><u>212,383,039</u></u> | <u><u>620,198,284</u></u> |

See attached line 54 detail

Southern Methodist University

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Part IV- Balance Sheets
May 31, 2004

Line 54- DETAIL

AMOUNT

Stocks:

Publicly traded stocks at market value

380,861,857

Non-publicly traded stock at market value

Club Corporation International

24,827,138

Industrial Properties

2,126,250

Total Stocks

407,815,245

Bonds:

Publicly traded bonds at market value

212,383,039

Southern Methodist University
Form 990 - 2003
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Part IV - Balance Sheet
May 31, 2004

Line 55- Investments-Land, Buildings and Equipment basis

| <u>Description</u> | <u>Book Value</u> | <u>Accumulated Depreciation</u> | <u>Net Book Value</u> |
|---|-------------------|-------------------------------------|---------------------------|
| <u>Unrestricted.</u> | | | |
| Lots 1- 16 Presidio TX | 1 | | 1 |
| Cumberland School Property-Dallas County, Tx | 378,473 | 170,353 | 208,120 |
| Miscellaneous | 35 | | 35 |
| Total Current Unrestricted | 378,509 | 170,353 | 208,156 |
| <u>Current Restricted.</u> | | | |
| Land - Fort Bend County | 190,467 | 0 | 190,467 |
| <u>Plant Fund</u> | | | |
| Various Mineral Rights | 3 | 0 | 3 |
| <u>Endowment Fund</u> | | | |
| 208-10 North Akard Street | 322,500 | | 322,500 |
| 212-14 North Akard Street | 290,250 | | 290,250 |
| 1705-07Elm Street | 32,250 | | 32,250 |
| Easterwood Land LSE City of Dallas | 59,940 | | 59,940 |
| 3317 Rankin, Life Estate (Renshaw) | 1 | | 1 |
| 5044 Matilda, Dallas, Tx | 74,000 | | 74,000 |
| La Place, Louisiana | 5,000 | | 5,000 |
| 3 31 acres R Teel Parcel, Hardin Co, TX | 1 | | 1 |
| 449 Commerce St Dls, TX/ farm Willacy Co, TX | 291,290 | | 291,290 |
| Lots in Houston, Hams Co , Tx | 18,723 | | 18,723 |
| Cemetery lot in Waco, TX | 200 | | 200 |
| 94 acres, Cameron Parish, LA/10 acres Chambers Co, TX | 1 | | 1 |
| Mesquite Joint Venture | 26,985 | | 26,985 |
| 106 67 acres, Terrell Co, Tx | 1 | | 1 |
| Part of Colony 275 Joint Venture | 25,398 | | 25,398 |
| Meadowbrook Rd | 5,965,121 | | 5,965,121 |
| Crow Holdings Realty Part II | 6,751,060 | | 6,751,060 |
| Realty Associates | 8,580,817 | | 8,580,817 |
| OCM Real Estate Oppt Fd III LP | 2,000,000 | | 2,000,000 |
| Crow Hldgs Realty Partners III | 2,109,956 | | 2,109,956 |
| Good Kenneth | 13,492 | | 13,492 |
| Various Mineral Rights | 225,360 | | 225,360 |
| Total Endowment Fund | 26,792,346 | 0 | 26,792,346 |
| <u>Annuity Fund.</u> | | | |
| 125 acres, Collin County, Texas | 2,500,000 | | 2,500,000 |
| Various Mineral Rights | 1 | 0 | 1 |
| Total Annuity Fund | 2,500,001 | 0 | 2,500,001 |
| Total Investments Land & Building | 29,861,326 | 170,353 | 29,690,973 |

Southern Methodist University

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Form 990-2003
Part IV- Balance Sheets
May 31, 2004

Line 56- Investments-Other-listed as cost

| | | <u>Amount</u> |
|--------------------|---|---------------------------|
| Venture Capital | | 37,223,539 |
| Other Investments: | | |
| | Funds Held in Trust by Others | 15,463,861 |
| | Doughty Hanson II, III & IV (Investments) Ltd. | 15,004,302 |
| | Elliott International | 20,589,288 |
| | Maverick Fund, Ltd. | 9,848,479 |
| | Centre Capital Tax- Exempt Investors II L.P. | 8,226,172 |
| | HBK Investments | 8,217,389 |
| | Merit Energy Partners D-1, LP | 8,587,720 |
| | Q Funding (R Funding) | 32,749,621 |
| | Oaktree Capital Management | 10,000,000 |
| | Private Advisors | 3,413,821 |
| | Candover 2001 Fund | 5,212,215 |
| | Lexington Capital | 2,582,201 |
| | King Street Capital | 8,000,000 |
| | Duke Street Capital | 3,710,419 |
| | GMO | 10,000,000 |
| | CF Capital Natural Resources Partners V | 223,536 |
| | Natural Gas Partners VII | 797,689 |
| | Eminence Fund LTD | 7,500,000 |
| | CF Absolute Return Investors Co | 15,000,000 |
| | OCM Principal Opportunities Fund III LP | 1,050,000 |
| | Parkcentral Global Fund LTD | 7,000,000 |
| | AQR Absolute Return Offshore Fund LTD | 5,000,000 |
| | Common Fund Absolute | 18,862,536 |
| | Nebraska Conference | 26,233 |
| | Securities Lending | 4,738,767 |
| | Kennedy Unitrust | 164,280 |
| | | <u>221,968,529</u> |
| Total | | <u><u>259,192,068</u></u> |

Southern Methodist University

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Form 990- 2003
Part II and Part IV
May 31, 2004

Line 42- Depreciation (Part II)

Line 57- Depreciation Assets (Part IV)

| <u>Assets</u> | <u>Date Acquired</u> | <u>Book Value</u> | <u>Accumulated Depreciation</u> | <u>Useful Life</u> | <u>Current Depreciation</u> |
|--|----------------------|----------------------|-------------------------------------|------------------------|---------------------------------|
| Buildings | Various | \$401,236,083 | \$131,290,826 | 20-50 years | \$9,353,158 |
| Land Improvements | Various | 25,632,020 | 12,986,779 | 20-50 years | 970,058 |
| Equipment | Various | 81,405,897 | 30,319,269 | 4-10 years | 4,438,442 |
| Land | Various | 41,601,293 | - | - | - |
| Total | | <u>\$549,875,293</u> | <u>\$174,596,874</u> | | |
| Total Net Depreciation per Part II line 42 | | | | | <u>\$14,761,658</u> |
| Assets- Beginning of the Year | | \$517,585,595 | | | |
| Plus Net Current Year Additions | | <u>32,289,698</u> | | | |
| Total | | <u>\$549,875,293</u> | | | |

*See attached Part II Line 42- Depreciation expense allocation among categories

Southern Methodist University

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Form 990 -2003

Part IV- Balance Sheets

Tax Year Ended May 31, 2004

Part IV, Balance Sheets

Line 58- Other Assets

| | (A) Beginning of Year | (B) End of Year |
|--------------------|--------------------------|--------------------|
| SCUUL | \$ 1,480,000 | \$ 1,480,000 |
| Bond Issuance Cost | 4,911,597 | 5,438,132 |
| Total | \$6,391,597 | \$6,918,132 |

Southern Methodist University

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Form 990-2003
Part IV- Balance Sheets
May 31, 2004

Line 64 (a)- Tax Exempt Bond Liabilities

| | <u>Amount</u> |
|--|---------------------------|
| 1963 Building Bonds due 2013 with a fixed interest rate of 3.50% | 1,440,000 |
| 1966 Fine Arts Center Bonds due 2006 with a fixed interest rate of 3.00% | 155,000 |
| 1967 Law Library and Classroom Bonds due 2007 with a fixed interest rate of 3.00% | 268,000 |
| 1985 Refunding Series-Southwest Higher Education Authority, Inc. due 2015 (Variable Interest Rate) | 49,200,000 |
| 1995 Serial Bonds; maturing from 2002 through 2010 with fixed interest rates ranging from 4.40% to 5.25% and term bonds maturing in 2016 2026 with a fixed interest rate of 5.125% | 37,860,000 |
| 1999A Serial Bonds; maturing from 2003 through 2013 with fixed interest rates ranging from 3.90% to 5.00% and term bonds maturing in 2018 through 2029 with a fixed interest rate of 5.00% | 50,515,000 |
| 1999 B Series - Southwest Higher Education Authority due 2029 (Variable Interest Rate) | 5,900,000 |
| 1999 C Series - Southwest Higher Education Authority due 2029 (Variable Interest Rate) | 16,700,000 |
| 1999 D Series - Southwest Higher Education Authority due 2022 with a fixed interest rate of 5.00% | 13,630,000 |
| 2002 Series (Southwest Higher Education Authority) due 2032 with a fixed interest rate of 3.00% - 5.50%. | 69,470,000 |
| 2003 Series (Southwest Higher Education Authority) due 2024 with fixed interest rates of 2.00% - 4.60% and due 2033 with fixed interest rates of 4.50% and 4.75%. | 31,000,000 |
| Unamortized (discount)/premium on bonds | <u>(1,401,000)</u> |
| TOTAL | <u><u>274,737,000</u></u> |

Southern Methodist University

Form 990 - 2003
Part IV- Balance Sheets
May 31, 2004

Line 64(b) -Mortgage and Other Notes Payable

| <u>Payee</u> | <u>Original Amount</u> | <u>Balance Due</u> | <u>Date of Note</u> | <u>Maturity Date</u> | <u>Repayment Terms</u> | <u>Interest Rate</u> | <u>Security</u> | <u>Purpose of Loan</u> |
|----------------------|----------------------------|------------------------|-------------------------|--------------------------|----------------------------|--------------------------|----------------------------|------------------------|
| Unrestricted Fund | | | | | | | | |
| Clements Foundation | 378,015 | 378,015 | 1/1/1987 | 12/31/16 | Annually | Variable | Cumberland School Property | Acquired the Property |
| Plant Fund | | | | | | | | |
| GMAC | 39,951 | 21,976 | 7/22/2002 | 7/22/2007 | Monthly | 1 90% | Chevrolet C25 Pickup Truck | Acquired the Property |
| Aramark Corporation | 200,000 | 165,520 | 6/1/2003 | 6/1/2009 | Monthly | - | - | Renovated Dining Hall |
| William B Heroy | 27,500 | 27,500 | 6/4/1970 | Demand | Quarterly | 8% | 6506 Airline Property | Acquired the Property |
| Stadium Scoreboard | 1,738,277 | 993,559 | 8/1/2000 | 7/31/2010 | Annually | - | Stadium Scoreboard | Acquired the Property |
| Dr Pepper Scoreboard | 22,357 | 22,223 | 9/11/2003 | 9/11/2008 | Monthly | 6 24% | Chevy Silverado | Acquired the Property |
| Total | | <u>1,608,793</u> | | | | | | |

Southern Methodist University

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Form 990-2003

Part IV- Balance Sheets

MAY 31, 2004

Line 65-Other Liabilities

U.S. Government student loan advances

Amount

2,646,684

Deposits

7,870,210

Total

10,516,894

75-0800689
Form 990- 2003
Net Assets Reconciliation
May 31, 2004

| | <u>Amount</u> |
|---|----------------------|
| Net assets reported on line 21, Part I | 1,162,525,920 |
| Adjustments- | |
| Unrelated business income and expenses not reflected in SMU's financial statements at year end: | |
| Intercollegiate Athletics- program advertising income | (33,205) |
| SMU Southwest Review- advertising income | (4,750) |
| Landreth oil royalties | (2,144) |
| Landreth oil lease expenses | <u>1,910</u> |
| | <u>1,162,487,731</u> |
| Net assets reported on Line 73, Part IV, column (B) | <u>1,162,487,731</u> |

Southern Methodist University

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Form 990-2003

May 31, 2004
Part IV-A and Part IV-B
Reconciliation of Revenue / Expenses per Audited Financial
Statements with Revenue / Expenses per Return

Part IV-A line d(2) other:

| | |
|--|-------------------|
| Scholarships discount- tuition and fees | 65,312,250 |
| Scholarships discount- room and board | 1,073,813 |
| Intercollegiate athletics-program advertising income not reflected in SMU's financial statements at year end | 33,205 |
| Southwest Review advertising income not reflected in SMU's financial statements at year end. | 4,750 |
| Landreth oil royalty income not reflected in SMU's financial statements at year end | 2,144 |
| Part I line 6b expenses netted against revenue | (29,413) |
| Part I line 9b expenses netted against revenue | (474) |
| Part I line 3 adjustment to revenue | 3,150 |
| Revenue reported on Peruna Properties, Inc. Form 990 | (2,377,886) |
| Revenue reported on The Stadium Club, Inc Form 990 | (10,820) |
| Total- | <u>64,010,719</u> |

Part IV-B line d(2) other

| | |
|---|-------------------|
| Scholarships discount- tuition and fees | 65,312,250 |
| Scholarships discount- room and board | 1,073,813 |
| Part I line 6b expenses netted against revenue | (29,413) |
| Part I line 9b expenses netted against revenue | (474) |
| Landreth Oil expenses not booked at year end | 1,910 |
| Expenses reported on Peruna Properties, Inc. Form 990 | (5,057,591) |
| Expenses reported on Pony Properties, Inc. Form 990 | (239,496) |
| Expense reported on The Stadium Club, Inc. Form 990 | (26,168) |
| Total | <u>61,034,831</u> |

Southern Methodist University
75-0800689
Form 990-2003
Part V - List of Officers, Directors and Trustees
Part V
May 31, 2004

| Column (A) | Column (B) | Column (C) | Column (D) | Column (E) |
|---|--|---------------------|--|---|
| <u>Name and Address</u> | <u>Title and average hours per week devoted to position</u> | <u>Compensation</u> | <u>Contributions to employee benefit plans and deferred compensation</u> | <u>Expense account and other allowances</u> |
| Robert Gerald Turner P O Box 750100 Dallas, TX 75275-0100 | President 37 5 Hours | \$430,000 | 91,016 | 120,702 |
| Ross C Murfin P O Box 750221 Dallas, TX 75275-0221 | Provost and Vice President for Academic Affairs 37 5 Hours | 284,000 | 43,078 | 19,237 |
| Thomas Barry P O Box 750102 Dallas, TX 75275-0102 | Vice President for Executive Affairs 37 5 Hours | 195,000 | 40,516 | 7,584 |
| Elizabeth C Williams P O Box 750193 Dallas, TX 75275-0193 | Treasurer 37 5 Hours | 212,000 | 36,429 | 7,584 |
| S Leon Bennett P O Box 750132 Dallas, TX 75275-0132 | V P for Legal Affairs and Secretary 37 5 Hours | 245,833 | 44,472 | 10,544 |
| James E Caswell P O. Box 750471 Dallas, TX 75275-0471 | V P for Student Affairs 37 5 Hours | 135,000 | 27,886 | 31,584 |

Southern Methodist University
75-0800689
Form 990-2003
Part V - List of Officers, Directors and Trustees
Part V
May 31, 2004

| Column (A) | Column (B) | Column (C) | Column (D) | Column (E) |
|---|--|---------------------|--|---|
| <u>Name and Address</u> | <u>Title and average hours per week devoted to position</u> | <u>Compensation</u> | <u>Contributions to employee benefit plans and deferred compensation</u> | <u>Expense account and other allowances</u> |
| Jeanne Whitman P O Box 750281 Dallas, TX 75275-0281 | V P for Development, Alumni Relations and Public Affairs 37 5 Hours | 235,000 | 35,996 | 7,346 |
| Morgan R Olsen P O Box 750505 Dallas, TX 75275-0505 | V P for Business and Finance 37 5 Hours | 220,000 | 46,407 | 6,290 |
| Mary Anne Rogers P O Box 750132 Dallas, TX 75275-0132 | Assistant Secretary 37 5 Hours | 63,000 | 25,671 | 232 |
| Donna Hancock P O Box 750100 Dallas, TX 75275-0100 | Assistant Secretary 37 5 Hours | 43,400 | 12,016 | 101 |

Southern Methodist University
75-0800689
Board of Trustees
May 31, 2004

Mr. Lester M. Alberthal, Jr.
P.O. Box 261451
Plano, TX 75026-1451

Mrs. Ruth Altshuler
5227 Meaders Lane
Dallas, TX 75229

Mr. Michael Boone
Haynes & Boone
Suite 3100
901 Main Street
Dallas, TX 75202-3789

Mr. Richard H. Brown
6700 Turtle Creek
Dallas, TX 75205

Mrs. Laura W. Bush
The First Lady
c/o Andi Ball, Chief of Staff to the
First Lady
3101 New Mexico, NW
#225
Washington, DC 20016

Pastor Kirbyjon H. Caldwell
Windsor Village UMC
6000 Heatherbrook
Houston, TX 77085-3318

Mr. Donald J. Carty
3704 Alice Circle
Dallas, TX 75205-3805

Mr. Robert H. Clark
6517 Hillcrest
Suite 311
Dallas, TX 75205

Mr. Dan W. Cook III
Senior advisor
MHT Partners
200 Crescent Court, Suite 1050
Dallas, TX 75201

Mrs. Jeanne Cox
4300 Armstrong Parkway
Dallas, TX 75205

Rev. Mark Craig
Senior Minister
Highland Park United Methodist
Church
Room 217
3300 Mockingbird Lane
Dallas, TX 75205

Mrs. Linda Custard
General Partner
Custard/Pitts Land and Cattle Co.
4600 Greenville Avenue
Suite 300
Dallas, TX 75206

Mr. Frank M. Dunlevy
Vice Chairman
Thomas Weisel Partners
One Montgomery Street
San Francisco, CA 94104

Mr. Juan Elek
Elek, Moreno Valle Y Asociados
Montes Escandinavos No. 115
C.P. 11000 Mexico, D.F.

Mr. Tom Engibous
Chairman
Texas Instruments Incorporated
P. O. Box 660199, MS 8659
Dallas, TX 75266-0199

Southern Methodist University
75-0800689
Board of Trustees
May 31, 2004

Mr. Alan Feld
Akin, Gump, Strauss, Hauer, & Feld
Suite 4100
1700 Pacific Avenue
Dallas, TX 75201

Mr. Gerald J. Ford
Chairman and CEO
Diamond A Ford Corporation
200 Crescent Court
Suite 1350
Dallas, TX 75201

Mr. Milledge A. Hart, III (Mitch)
Chairman
Hart Group, Inc.
3811 Turtle Creek Blvd.
#900
Dallas, TX 75219-4442

Mr. W. R. Howell
2940 White Pine Lane
Wilson, Wyoming 83014

Mr. Ward L. Huey, Jr.
4000 Miramar Avenue
Dallas, TX 75205

Mr. Lamar Hunt
Chairman
Unity Hunt, Inc.
Suite 4000
1601 Elm Street
Dallas, TX 75201

Mr. Ray L. Hunt
Chairman and CEO
Hunt Oil Company
1445 Ross Avenue, 20th Floor
Dallas, TX 75202

Mr. Robert A. Leach
Senior Vice President/Investment
Wachovia Securities
500 North Akard
1515 Lincoln Plaza
Dallas, TX 75201-3393

Mr. Paul B. Loyd, Jr.
108 Shasta
Houston, TX 77024

Dr. Thalia F. Matherson
Executive Director
South Central Jurisdiction
United Methodist Church
4849 Greenville Avenue
Suite 1545
Dallas, TX 75206

Mr. Mark A. Nerio
Vice President – Human Resources
Citicorp Data Systems Inc. (TX)
100 Citibank Drive
Building 1/2
San Antonio, TX 78245

Bishop Alfred Norris
The United Methodist Church
Houston Area
5215 Main
Houston, TX 77002-9792

Bishop William B. Oden
United Methodist Church
P. O. Box 600127
Dallas, TX 75360-0127

Mr. H. Ross Perot, Jr.
President and CEO
Perot Systems Corporation
2300 W. Plano Parkway
Plano, TX 75075

Southern Methodist University
75-0800689
Board of Trustees
May 31, 2004

Mr. Sherrill Pettus
President
Southern Bleacher Company
P. O. Box One
Graham, TX 76450

Mr. Richard Ware
President
Amarillo National Bank
P. O. Box 1
Amarillo, TX 79105-0001

Ms. Meredith Price
3100 University Boulevard
Dallas, TX 75205

Mrs. Sue T. Whitfield
Vice President
Trammell-Whitfield Properties
Suite 603
4265 San Felipe
Houston, TX 77027-2901

Mrs. Caren Prothro
3708 Stratford
Dallas, TX 75205

Mr. Carl Sewell
Chairman
Sewell Automotive Companies
Suite 102
3860 West Northwest Highway
Dallas, TX 75220

Professor Norman Wick
SMU
P. O. Box 750356
CAMPUS

Bishop Ann B. Sherer
The United Methodist Church
4800 Santana Circle, Suite 100
Columbia, MO 65203

Dr. Richard J. Wood
President
United Board for Christian
Education in Asia
475 Riverside Drive, Suite 1221
New York, NY 10115

Dr. Helmut Sohmen
Chairman
World-Wide Shipping Agency, Ltd.
23/F, 9 Des Voeux Road West
Hong Kong SAR, CHINA

Mr. John Tolleson
Chairman and CEO
Tolleson Wealth Management
5500 Preston Road, Suite 250
Dallas, TX 75205

Dr. R. Gerald Turner
President
Southern Methodist University
225 Perkins Administration Building
Dallas, TX 75275

Southern Methodist University

75-0800689

Form 990-2003

May 31, 2004

Part VI, Other Information, Line 77

Copy of Bylaws attached

**BYLAWS
of
SOUTHERN METHODIST UNIVERSITY**

The following Bylaws of Southern Methodist University are promulgated in accordance with the provisions of Article IX of the amended charter of Southern Methodist University, which provides that the Board of Trustees may adopt appropriate Bylaws.

**ARTICLE I.
BOARD OF TRUSTEES**

Membership and Powers and Duties of Board of Trustees

1.01 Number of Trustees

The Board of Trustees shall consist of no more than 43 Trustees, comprised as follows:

- (a) 26 recommended by Board of Trustees, two of whom shall be international Trustees;
- (b) 9 others, recommended by the College of Bishops, with no more than two of the nine being from the same episcopal area of the South Central Jurisdiction of the United Methodist Church serving on the Board at the same time;
- (c) 3 Bishops recommended by the College of Bishops; and
- (d) 5 ex officio Trustees: the President of the University; the Executive Director of the South Central Jurisdiction of The United Methodist Church; and one person each recommended by each of the following organizations and supported by the Trusteeship Committee: the Faculty Senate, SMU Students' Association and Alumni Association.

At least one-half of the voting Trustees of the Board of Trustees shall be members of the United Methodist Church. Notwithstanding the foregoing required composition of the Board, no action of the Board of Trustees shall be deemed invalid should the number of Trustees in any of the categories set forth above at any time be less than that designated.

1.02 Method of Nomination

(a) Trustees

Upon the occurrence of the expiration of the term to which Trustees are appointed the Trusteeship Committee shall, or upon the occurrence of a vacancy for any other reason the Trusteeship Committee may, recommend to the full Board its recommendation(s) for nomination by the Board.

(b) Ex Officio Trustees

All persons named to the respective ex officio Trustee positions by the appropriate authority shall be recommended by the Trusteeship Committee to the full Board for nomination by the Board.

(c) Recommendations to the Trusteeship Committee

Recommendations to the Trusteeship Committee of people described within Article 1.01(b), (c) and (d) shall be made as provided therein. Recommendations to the Trusteeship Committee of people described within Article 1.01(a) shall be made in accordance with procedures established by the Trusteeship Committee.

(d) Diversity of Recommendations

In making all of its recommendations to the Board of Trustees, the Trusteeship Committee shall give due consideration to the need to assure a diverse membership of the Board, reflecting appropriate geographical, ethnic, age, sex, occupational/professional and philosophical differences and perspectives. It is desirable that at least one regular voting member of the Board be a professional educator who is not a member of the SMU community, and two be residents of countries other than the United States. Furthermore, the Trusteeship Committee shall provide opportunity for, and fully consider, nominations submitted (in confidence or otherwise) by all constituencies of the University, including Trustees, administration, faculty, students, and alumni, through their elective or appointive organization.

1.03 Method of Election

Proposed members of the Board of Trustees shall be nominated to the South Central Jurisdictional Conference of the United Methodist Church by a majority of the Trustees at the annual meeting immediately preceding the Quadrennial meeting of the South Central Jurisdictional Conference of the United Methodist Church. In the event the Board desires to fill an unexpired term or vacant position on the Board, the Board may nominate to the South Central Jurisdictional Conference of the United Methodist Church a successor Trustee at any regularly scheduled meeting of the Board. The South Central Jurisdictional Conference of the United Methodist Church or any agency or board to which it may delegate such authority shall elect the Trustees to the Board.

1.04 Length of Service(a) Trustees

Except as hereinafter provided, the service of a Trustee on the Board shall be limited to three consecutive four-year terms or until their successor shall be duly elected. When, in the opinion of the Trusteeship Committee, a Trustee has been of such exceptional service as to justify the Trustee's continued service on the Board, the Trusteeship Committee has the discretion to waive the term limitation and nominate such Trustee for continued service on the Board.

(b) Ex Officio Trustees

All ex officio Trustees shall serve a term of one year, except the President and the Executive Director of the South Central Jurisdiction of The United Methodist Church, whose terms shall be from the date of election or appointment for so long as he/she may serve as President or Executive Director.

1.05 Removal for Cause

The Board may recommend to the South Central Jurisdictional Conference of the United Methodist Church that any Trustee be removed from office for cause at any meeting of the Board by affirmative vote of two-thirds of the Trustees.

1.06 Age Limitations

No person shall be eligible for election prior to attaining the age of eighteen (18) years, nor shall any Trustee be nominated or elected to serve a term commencing after attaining the age of seventy-two (72) years. Notwithstanding the foregoing, when, in the opinion of the Trusteeship Committee, a Trustee has been of such exceptional service as to justify the Trustee's continued service on the Board, the Trusteeship Committee has the discretion to waive the age limitation and nominate such Trustee for continued service on the Board after the age of 72 years.

1.07 Powers and Duties

The management and direction of all affairs and interest of the University shall be vested in the Board of Trustees. It is hereby empowered to adopt such rules and regulations for the management and direction of the affairs of the University as the conduct of those affairs may require, but such rules and regulations shall not be inconsistent with these Bylaws, the Articles of Incorporation of the University, or the law.

Officers of the Board1.10 General

The Officers of the Board shall be the Chair, Vice Chair and Secretary of the Board of Trustees. The Chair, Vice Chair and Secretary of the Board of Trustees shall serve for terms of one year each and until their successors are elected. The Chair, Vice Chair and Secretary shall be elected annually at the Spring meeting of the Board. Commencing with the 1988 election of the members of the Board of Trustees by the South Central Jurisdiction of the United Methodist Church, no Trustee shall serve for more than four consecutive one-year terms in any respective office.

1.11 Duties of Officers

The Chair of the Board of Trustees shall preside at all regular and special meetings of the Board of Trustees, except in his absence the Vice Chair shall preside, or in the absence of the Chair and Vice Chair, the Secretary shall preside.

1.12 Chair Elect

Subject to the provisions of Paragraph 2.03(d) herein, the Board shall elect a Chair Elect who shall be nominated for election as Chair of the Board upon the completion of the service of the sitting Chair. In order to familiarize the Chair Elect with the operation of and the issues before the Board, the Chair Elect shall have the privilege of attending any meeting of the Executive Committee and all Standing Committees, but shall not be entitled to vote, nor be counted for the purpose of determining if a quorum is present, unless he/she shall otherwise be a regular member of the Executive Committee or Standing Committee. Unless the Chair Elect shall also be serving as Vice Chair or Secretary of the Board, the Chair Elect shall not be an officer of the Board, nor shall the Chair Elect have the authority to preside at any regular or special meeting.

Meetings

1.20 Regular Meetings

There shall be four regular meetings of the Board of Trustees annually. The regular meetings for the following year shall be designated by the Board at its Spring meeting, traditionally held in May. Should circumstances require, the Chair, Secretary or President may reschedule any regular meeting date by giving notice as provided in Article 1.22.

1.21 Special Meetings

A special meeting of the Board of Trustees shall be held at the call of the Chair, or at the call of the Chair upon written petition of not less than one-tenth of the full-time members of the General Faculty, or upon the written petition of a majority of the members of the Faculty Senate of the University, or upon the written request of one-tenth of the Trustees. The call for a special meeting shall be addressed in writing to the Secretary and shall state the time, date and location of the meeting and in a general manner the nature of the business to be considered.

1.22 Notice of Meetings

Notice of the date of each of the four regular meetings shall be mailed by the Secretary to the individual Trustees at least ten days prior to the date of the meeting. Notice of the date of any special meeting shall be mailed by the Secretary to the Trustees at least ten days (or by telephone or telegraph at least five days) before the date of the meeting and shall state the time, date and location of the meeting and in a general manner the nature of the business to be considered.

1.23 Orientation Meetings

Following the quadrennial election of the Trustees by the South Central Jurisdiction of the United Methodist Church, the President, Chair of the Board and Chair of the Trusteeship Committee shall plan, organize and schedule a special meeting of the newly elected Board or shall, in conjunction with the first regular meeting of the newly elected Board, conduct an orientation meeting on the structure and organization of the Board and status of the University.

1.24 Place of Meetings

All meetings of the Board of Trustees shall be held on the campus of Southern Methodist University or at such other places as the Chairman or the Board of Trustees may designate.

1.25 Telephone and Similar Meetings

The Board of Trustees or any Committee thereof may participate in and hold a meeting by means of a telephone conference or similar communications equipment by means of which persons participating in the meeting can hear each other. Participating in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

1.26 Action Without Meeting

Any action which may be taken, or is required by law, the Articles of Incorporation, or these Bylaws to be taken at a meeting of the Board of Trustees or Committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Trustees or Committee members, as the case may be, entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect, as of the date stated therein, as a unanimous vote of such Trustees or Committee members, as the case may be, and may be stated as such in any document filed with the Secretary of State of Texas or in any certificate or other document delivered to any person. The consent may be in one or more counterparts so long as each Trustee or Committee member signs one of the counterparts. The signed consent shall be placed in the minute books of the University.

1.27 Quorum

A majority of the Trustees of the Board of Trustees in office shall constitute a quorum for the transaction of business, but a majority of the Trustees present at the time and place of the called meeting, although less than a quorum, may adjourn from time to time without notice until a quorum attends. The vote of a majority of the Trustees present at any meeting shall prevail, except insofar as limited by the provisions of Article 1.05, Article VII and Article IX of these Bylaws.

1.28 Agenda and Order of Business

The agenda for the Board meetings shall be developed jointly by the Chair of the Board of Trustees and the President.

1.29 Parliamentary Procedure

The deliberations of the Board of Trustees shall be governed by the latest revision of Robert's Rules of Order.

1.30 Voting

All regularly elected Trustees shall have the power to vote on all matters. All Trustees shall have equal access and opportunity to speak to any and all matters brought before the Board.

1.31 Absences

The Board may seek the removal of a Trustee from the Board after three consecutive unexcused absences from meetings of the Board. In addition, it may seek removal of a Trustee after three consecutive unexcused absences from meetings of his or her assigned Committees. Removal in either instance described shall take place pursuant to a recommendation from the Board to the South Central Jurisdictional Conference of the United Methodist Church, requesting removal "for cause," such recommendation to be given only upon the recommendation of the Trusteeship Committee and an affirmative vote of two-thirds of the Trustees in office.

1.32 Guests

The Board of Trustees may invite persons who are not Trustees to attend any regular meeting of the board as guests. Unless otherwise decided at any meeting, the vice presidents of the University and the representatives-elect of the Faculty Senate, the SMU Students' Association and Alumni Association shall be invited to attend. Guests shall only have the privilege of the floor by acknowledgment of the Chair or by a majority vote of the Board, but shall not have the right to vote. The Board may conduct an executive session limited to its own membership.

Board Officers and Committee Chairs

Upon Election of Trustees by the
South Central Jurisdiction of the
United Methodist Church

1.41 Election of Trusteeship Committee, Board Officers and Committee Chairs upon Election of Board of Trustees by South Central Jurisdiction of the United Methodist Church

Upon the quadrennial election of the Trustees of Southern Methodist University, the Trustees shall meet as soon as practicable and elect the Trusteeship Committee as provided in 2.03(a) of these Bylaws, except that the President shall preside over and conduct the first election of the Trusteeship Committee following each quadrennial election of the Trustees. Thereafter, the Officers of the Board, Standing Committee Members and Committee Chairs shall be nominated by the Trusteeship Committee to the Board, considered by the Board, and elected by the Board.

1.42 Continuation of Board Officers and Standing Committee Chairs upon Quadrennial Election of Trustees

Any other provision(s) of the Bylaws to the contrary notwithstanding, each and every officer of the Board of Trustees and each and every chair and vice chair of the Standing Committees of the Board and Trustee who shall be elected by the

South Central Jurisdiction of the United Methodist Church to serve as Trustee, shall continue to serve in the office or chair held, or on the Committee he/she served immediately preceding such election until the Board shall elect new officers, chairs and make Committee assignments. In the event an officer or chair shall not continue to serve on the Board following the election of the Board by the South Central Jurisdiction of the United Methodist Church the Vice Chair or if he/she shall otherwise cease to serve as a Trustee, the Secretary shall succeed to the Chair of the Board or Committee in that order. Should any chair, whether of the Board or Standing Committee, remain vacant following the foregoing procedure, then the Trustee with the longest continuous service shall assume the vacant position for the board or for the Standing Committee on which he or she may serve. Should more than one Trustee be eligible for a vacant position on the basis of continuous service, the Trustee, among those having the same continuous service shall be selected who has the greatest number of years total service as a Trustee. In the event a Standing Committee shall have no Trustees continuing to serve on the Committee following any quadrennial election, the Chair of the Board of Trustees shall appoint a chair of said Committee from the Trustees who have at least one year's prior service as Trustee immediately preceding said appointment. The Chair of any Committee so appointed shall serve until the Trusteeship Committee nominates and the Board elects a new chair.

ARTICLE II. BOARD COMMITTEES

2.01 Appointment

(a) Ad Hoc Committee(s)

There may be such special or ad hoc Committees as the Board of Trustees may from time to time establish for the discharge of particular duties. No ad hoc Committee shall serve for more than one calendar year unless authorized by the full Board.

(b) Standing Committees

(1) General

There shall be the Standing Committees specified in this Article. In addition, there shall be such other Standing Committees as the Board may from time to time appoint.

(2) Membership

- (i) Members of the Standing Committees shall be recommended annually by the Trusteeship Committee and approved by the Board. Except as provided herein, each Standing Committee except Legal and Government Affairs and Audit may have non-Trustee members.

The Chair and a majority of the membership of each Standing Committee must be Trustees, except that the Investment Committee may have a majority membership of non-Trustees.

- (ii) Each Trustee shall serve on at least one but not more than three Standing Committees. For the purpose of determining the number of Standing Committees on which a Trustee may serve, a Trustee's service on one or more of the following shall not be counted: Trusteeship, Executive, and Compensation. Notwithstanding the foregoing, the Chair of the Board of Trustees shall be an ex officio (voting) member of all Board Committees. The President shall be an ex officio (voting) member of all Board Committees, except the Audit Committee.
- (iii) All Committee members shall be permitted to vote on matters coming before the Committee.
- (iv) In no event may a Trustee's service on a Committee continue beyond the Trustee's elected term as Trustee, unless the former Trustee is elected to Standing Committee service as a non-Trustee as provided in this Article 2.01(b)(2).

- (v) Upon recommendation of the Trusteeship Committee, the Board may vote to remove any non-Trustee member from service on any Committee following three consecutive unexcused absences from Committee meetings.

(3) Chair of Standing Committees

Chairs and Vice Chairs of the Standing Committees shall be recommended by the Trusteeship Committee and approved by the Board, except that the Chairs and Vice Chairs of the Executive Committee and Trusteeship Committee shall be determined as otherwise provided in these Bylaws. The Chair of the Board and the Chair of the Trusteeship Committee shall not be permitted to serve as Chair of any other Committee except the Chair of the Board shall serve as Chair of the Executive Committee and Chair of the Compensation Committee.

- (c) The Chair of any Committee, with the consent of the Chair of the Board, may request the President of the University to appoint an Officer of the University or a member of the administrative staff to serve as a liaison between the Committee and the Office of the President, and the President shall designate such a person to perform that service. Such liaison person shall assist the Committee in carrying out its duties.
- (d) The following Standing Committees shall meet not fewer than three times per year during the days and times of regularly scheduled Board meetings: Committee on Academic Affairs, Committee on Finance, and Committee on Student Affairs. All Standing Committees shall meet on the call of the Chair of the Committee, the Chair of the Board or the President. A majority of the Committee members shall constitute a quorum.
- (e) In addition to powers and duties specifically assigned to each Standing Committee, each Standing Committee is responsible for reviewing and monitoring Board policies pertaining to the area of responsibility of such Committee and reporting to the Board any recommendations the Committee may have regarding compliance with Board policies. Except as otherwise provided in these Bylaws or as specifically authorized by Board resolution, no Board Committee shall have the authority to take any action that binds the Board or the University.

2.02 Executive/Personnel/Compensation Committee

(a) Executive/Personnel Committee

(1) Membership

The Executive/Personnel Committee shall consist of the Chair of the Board, the Vice Chair of the Board, the President of the University, a Trustee Bishop to be designated by the College of Bishops of the South Central Jurisdictional Conference of the United Methodist Church, the representative of the SMU Alumni Association, the representative of the SMU Students' Association, the representative of the SMU Faculty Senate, and the Chairs of

the Standing Committees of the Board. The Chair of the Board shall serve as Chair of the Executive/Personnel Committee and the Vice Chair of the Board shall serve as its Vice Chair.

(2) Meetings

The Executive/Personnel Committee shall meet on an emergency basis as called by the Chair or President or any three of its members.

(3) Powers and Duties

The Executive/Personnel Committee shall have all the powers of the full Board between the regularly scheduled or specially called Board meetings; however, in all matters relating to policy, the Executive/Personnel Committee shall only be empowered to establish policy pending action by the full Board at its next meeting.

(4) Quorum

A majority of the members of the Executive/Personnel Committee shall constitute a quorum for the transaction of business.

(b) Compensation Committee

(1) Membership

The Compensation Committee shall consist of the Chair of the Board, the Vice Chair of the Board, a Trustee Bishop to be designated by the College of Bishops of the South Central Jurisdictional Conference of the United Methodist Church, the representative of the SMU Alumni Association, the representative of the SMU Students' Association, the representative of the SMU Faculty Senate, and the Chairs of the Standing Committees of the Board. The Chair of the Board shall serve as Chair of the Compensation Committee and the Vice Chair of the Board shall serve as its Vice Chair.

During the existence of the Board ad hoc Capital Campaign Executive Committee, and limited in time to the duration of the Capital Campaign, the membership of the Compensation Committee shall be expanded to include the co-chairs of the Capital Campaign Executive Committee. Service on the Compensation Committee limits each Trustee to one vote regardless of his or her representative capacities.

(2) Meetings

The Compensation Committee shall meet on an annual basis prior to the May Board meeting or on an emergency basis as called by the Chair or any three of its members.

(3) Powers and Duties

The Compensation Committee shall have all the powers of the full Board in matters of compensation of corporate officers; however, the Compensation Committee shall report to the full Board at its next meeting any action taken by the Committee.

(4) Quorum

A majority of the members of the Compensation Committee shall constitute a quorum for the conduct of business.

2.03 Trusteeship Committee(a) Membership

The Trusteeship Committee shall consist of the Chair of the Board, the President of the University, the ex officio faculty member of the Board, the ex officio student member of the Board, the ex officio Alumni Association member of the Board and six at large Trustees, at least one of whom shall be a Bishop designated by the College of Bishops of the South Central Jurisdictional Conference of the United Methodist Church. Except as provided in Article 1.41, the five remaining Board members shall be elected at large from the voting membership of the Board at its third regular meeting each year; provided, however, that there shall be no election of a Trusteeship Committee at the Board's third regular meeting during the last year of service of the Board prior to the quadrennial election of Trustees by the South Central Jurisdiction, and provided further, that the Trusteeship Committee elected to serve for the year preceding the quadrennial election of Trustees by the South Central Jurisdiction shall continue to serve until the quadrennial election of Trustees by the South Central Jurisdiction. The person receiving the highest number of votes will be the Chair and the person receiving the second highest number of votes will be the Vice Chair. Should a tie occur in the number of votes received by Trustees, which tie vote must be resolved to determine which Trustee shall serve as Chair, Vice Chair, or elected member of the Committee, the tie shall be resolved in favor of the Trustee who is junior in service for the position to be filled. The Trustee not selected as an elected member shall serve as an alternate elected member of the Committee, and in that capacity may attend all Committee meetings and in the event of the absence of any elected member of the Committee shall be entitled to vote as an elected member of the Committee.

(b) Eligibility for Election of Trusteeship Committee

All members of the Board other than the ex officio members and the currently serving Chair of the Board shall be eligible for election to the Trusteeship Committee each year, except the first election following the quadrennial election of Trustees by the South Central Jurisdiction of the United Methodist Church, when only members who have served as Trustees the immediately preceding year shall be eligible.

(c) Meetings

As provided for in Article 2.01(d).

(d) Powers and Duties

The Trusteeship Committee shall have primary oversight responsibility for the Board insuring proper membership and involvement in the activities of the Board and its Committees. It shall recommend or nominate to the full Board at its annual meeting persons to serve as Trustees for the upcoming term or to fill vacant Trustee positions, persons to serve as Board officers and Chair Elect, and persons to fill Committee assignments including Chairs and Vice Chairs. (The Chair Elect shall only be nominated for election by the full Board upon the occasion of the announcement of the then serving Chair that, following the completion of the Chair's then current term, the Chair will not again allow his name to be placed in nomination for Chair, or when the Chair being nominated to the Board shall, upon completion of the forthcoming term, have served the maximum number of consecutive terms permitted.) The Committee shall also provide for and carry out the following:

- (1) a formal orientation to be conducted annually for new Trustees;
- (2) an annual documented Board self-evaluation;
- (3) a quadrennial external documented evaluation of the Board;
- (4) preparation of a Board document on proper roles and functions of the Trustees of Southern Methodist University;
- (5) consultation with the Association of Governing Boards as appropriate;
- (6) development of a Trustees' Handbook, to be updated periodically, which is a repository of those Board policies, practices and implementing procedures not given in the Bylaws or Articles of Incorporation. This Handbook shall describe not only the Board's policies but also the procedures that are to be used to implement those policies; and
- (7) review and make recommendations concerning any proposed amendments to the Articles of Incorporation or Bylaws of the University, providing that its failure to do so shall not preclude consideration by the Board of a proposed amendment properly submitted pursuant to Article XI of these Bylaws.

2.04 Powers and Duties of the Committee on Development and External Affairs

The Standing Committee for Development and External Affairs is charged with review and development of policies governing the activities of development, alumni relations, public affairs, lecture programs, and University events. In particular, the Committee will recommend to the Board of Trustees such policies as those describing endowment funding levels, gift annuity and trust minimums, acceptance of problematic assets, management of assets funding, deferred gifts, and other related matters. In addition, the Committee will advise the University, upon recommendation of the Tate Board of Directors, on appropriate strategies for expansion and enhancement of the Tate Lecture Series, the SMU Athletic Forum, and the Doak Walker Award. The Committee will advise the University on the appropriate positioning of the University in public relations decisions, community relations, and events in support of SMU's mission and aspirations.

2.05 Powers and Duties of the Committee on Finance

The Committee on Finance shall review the revenue and expense budget prepared for the University by the administration prior to the budget being submitted by the Committee to the Board for approval. At each regular meeting of the Board, the Committee shall report the status of the current year's operating budget as compared to the Board approved budget. The Committee on Finance shall also advise the Board and the President on major items affecting the budget of the University, including, without limitation, tuition and fee pricing, endowment spending, expenditure planning, and capital financing strategies.

2.06 Committee on Audit

(a) Membership

The membership of the Audit Committee shall be limited to Trustees who shall be "independent" and "financially literate" as set forth in the Audit Committee Charter adopted by the Board.

(b) Powers and Duties

The Committee on Audit shall perform its oversight responsibilities in accordance with the Audit Committee Charter adopted by the Board as it may be amended by the Board from time to time.

2.07 Powers and Duties of the Committee on Academic Policy, Planning and Management

The Committee on Academic Policy, Planning and Management shall consider all changes in the faculties proposed by the President of the University, and shall make recommendations to the board of Trustees regarding the same. The Committee on Academic Policy, Planning and Management shall advise the Board in all matters pertaining to the educational policies of the University, including but not limited to, degree programs, research, enrollment and financial aid.

2.08 Powers and Duties of the Committee on Student Affairs

The Committee on Student Affairs shall advise the Board on Board policies relating to student life at the University.

2.09 Powers and Duties of the Committee on Buildings and Grounds

The Committee on Buildings and Grounds shall advise the Board in regard to Board policies affecting the physical plant and grounds of the University, with special emphasis on maintenance and operating costs. In addition, the Committee shall make such recommendations as it shall deem appropriate in regard to additions to the physical plant and grounds of the University.

2.10 Powers and Duties of the Committee on Investments

The Committee on Investments is hereby empowered by the Board to make all investment decisions with respect to the funds and assets under the jurisdiction of the Board of Trustees, including, without limitation, purchases, sales, and loans of assets and securities, and to vote all shares of capital stock of corporations owned or held by the University at all meetings of the stockholders thereof, with the right to designate the person or persons authorized to act on behalf of the University, and to execute documents on its behalf in the premises. Reports on investment activity shall be made at each regular meeting of the Board.

The Committee shall advise the Board on Board policies relating to University investments.

2.11 Powers and Duties of the Committee on Legal and Government Affairs

The Committee on Legal and Government Affairs shall advise the Board on the legal and government affairs of the University, and shall report to the Board at its regularly scheduled meeting on all legal matters which may materially affect the University and all local, state and federal governmental matters which affect the University. The Committee shall periodically review the administration of the University's intercollegiate athletic programs for compliance with applicable laws, governmental regulations, and the constitution, bylaws, rules and regulations of any intercollegiate athletic organization of which the University is a member. The Committee shall advise the Board at its regularly scheduled meetings of any matter which in the opinion of the Committee bears materially on the integrity of the University's intercollegiate athletic program.

2.12 Athletics Committee

(a) Powers and Duties of the Committee on Athletics

The Committee on Athletics shall advise the Board as to the status of the intercollegiate athletic program in the University and in so advising the Board shall consider the academic performance of the student athletes and the overall fiscal operation of the Athletic Department. The Committee shall review the University's intercollegiate athletic programs and its program for compliance with the constitution, bylaws, rules and

regulations of any intercollegiate athletic organization of which the University is a member, as well as University rules and regulations.

(b) Meetings

The Athletics Committee shall meet not less than once in the fall semester and once in the spring semester of each academic year.

ARTICLE III. EXECUTIVE BOARDS

3.01 General

The Board of Trustees does hereby establish Executive Boards for the following schools and academic units of the University:

Dedman College
Edwin L. Cox School of Business
Meadows School of the Arts
Perkins School of Theology
School of Engineering
Dedman School of Law
SMU-in-Taos
SMU Libraries

3.02 Powers and Duties

The Executive Boards shall: provide advice and counsel to the Dean or Director; support creation of and linkages between faculty, students, and the sector of the public with which the school is most closely associated; aid in the recruiting and developing of faculty; support Advancement programs; monitor the performance of the schools and/or academic units; report periodically to the Academic Affairs Committee; and assist the schools and academic units in the development and maintenance of the successful outreach of activities in local, regional and national communities. The Executive Boards shall perform such acts as may be appropriate to fulfilling the purposes of the Executive Boards including the appointment of such sub-committees as they may deem expedient. Executive Boards do not have any powers or duties to control the governance of the University, its schools or academic units.

3.03 Membership

The membership of the Executive Boards shall include Trustees, former Trustees, young alumni, faculty from other institutions, leaders in the professions or disciplines relating to the school or academic unit, and developmental prospects. The Boards should be constituted with due regard to the commitment of the University to diversity with respect to race and ethnicity, age, gender, geographic origin, vocation, and philosophical orientation.

Members of the Executive Board shall be appointed by the President, after consultation with the Chair of the Executive Board and the dean or director. Appropriate deans or directors and members of the Board of Trustees shall be invited to nominate members other than Trustees to the President. The Trusteeship Committee shall nominate sitting or former members of the Board of Trustees.

Each Executive Board shall elect a Chair and a Vice-Chair, one of whom shall be a member of the Board of Trustees.

Terms of membership on the Executive Boards shall be set at three years. The terms shall be staggered so that one-third of member appointments shall expire each year.

The following shall be ex officio members of each Executive Board:

- Chair - Board of Trustees
- President
- Provost
- Vice President for Development and External Affairs
- Dean or Director of the School or academic unit
- The President may appoint a Dean or Director as an ex officio member of an Executive Board for a School or academic unit for which he/she is not a Dean or Director.

3.04

Meetings

Meetings of the Executive Boards shall be called by the Chair as often as he/she may deem necessary. However, each Executive Board shall meet at least twice a year. A majority of the Executive Boards shall constitute a quorum.

ARTICLE IV. OFFICERS OF THE UNIVERSITY

General

4.01 Officers

The Officers of the University shall be a President, several Vice Presidents, one of whom shall be the Provost, a Secretary, a Treasurer, and such other executive and administrative officers as the Board of Trustees may determine. The same person may hold any two of the offices at the same time except the President.

4.02 Chief Executive Officer

The Chief Executive Officer of the University shall be the President.

4.03 Compensation

The compensation of the President and any changes thereof shall be established by the Board in executive session, which shall act after receiving recommendations from the Executive Committee of the Board. Annually, or at such other intervals as the Board may direct, the Executive Committee of the Board shall review the compensation of the President and make recommendations to the Board regarding the level of such compensation.

The President

4.11 Election

The President shall be elected by the Board of Trustees at a regular or special meeting for a term to be fixed by the Board after due consultation on the selection of such President with a University search committee appointed by the Chair of the Board of Trustees, including, but not limited to, representatives of the following groups: the College of Bishops, the elected Trustees, the General Faculty through the Faculty Senate, the Student Body through the Student Senate, the Council of Deans, the Vice Presidents and the SMU Alumni Association through its executive committee.

The Board of Trustees solely shall have the authority to employ or terminate a President, which action must be taken at a regular or special meeting.

4.12 Powers and Duties

The President shall:

- (a) Serve as the Chief Executive Officer of the University, the Chairman of the General Faculty of the University, the principal authority of the respective schools of the University.
- (b) Be the official instrument of communication between the General Faculty and the Board of Trustees and between the students and the Board of Trustees.
- (c) Be responsible for the discipline of the institution.

- (d) Nominate all officers and faculty members for election by the Board of Trustees and appoint persons to the faculty for terms of one year or less.
- (e) Make an annual report to the Board of Trustees on the operation and condition of the University and present for the consideration of the Board of Trustees such measures as he/she may deem necessary or expedient for the University's welfare.
- (f) Direct the execution of all diplomas for degrees by the following officers:
 - (1) Chair or a Vice Chair of the Board of Trustees,
 - (2) Secretary of the Board of Trustees,
 - (3) The President of the University,
 - (4) The Provost of the University,
 - (5) The Deans of the respective schools.
- (g) Execute all deeds, deeds of trust, bills of sale, assignments, transfers, releases, notes, obligations or contracts, or other instruments of the University as the Board of Trustees may direct, or in his/her absence from the City of Dallas, or in the event of his/her temporary inability to act, delegate his/her authority to execute such instruments to a particular Vice President. Execute any and all such other contractual agreements or final commitments in the name of the University as he/she shall determine appropriate. With respect to any instrument executed by the University through its duly authorized officer or officers, the attestation to such execution by the Secretary of the University shall not be necessary to constitute such instrument a valid and binding obligation of the University unless the resolutions, if any, of the Board of Trustees authorizing such execution expressly state that such attestation is necessary.
- (h) Vote all shares of capital stock of corporations owned or held by the University at all meetings of the stockholders thereof, and delegate, if necessary, such authority to another by proxy in writing.
- (i) Be responsible for a plan of internal shared governance which rests on the principle that an institution's ability to solve educational problems is enhanced when the constituencies of the University share, in varying degrees, in the decision-making.
- (j) Perform such other duties and functions as the Board of Trustees may from time to time assign to him/her.

Other Officers

4.20 Election and Term of Office

The Vice Presidents, Secretary and other Executive and Administrative Officers of the University shall be elected for one-year terms at each annual meeting of the Board of Trustees.

4.21 Powers and Duties

The Vice Presidents, Secretary, and other Executive and Administrative Officers shall perform such duties and functions as the President may from time to time assign to them.

(a) Duties of the Vice Presidents

- (1) Each Vice President shall have such powers and duties as may be prescribed from time to time by the Board of Trustees or as delegated from time to time by the President and shall exercise the powers of the President during such officer's absence or inability to act (in the order as designated by the Trustees, or in the absence of such designation, as determined by the length of time each has held the office of Vice President continuously).

- (2) Authority to Bind the University

The Vice President of Business and Finance, or the successor vice presidential title to that office who is the chief financial officer of the University, is authorized to sign contractual agreements or to make final commitments in the name of the University so long as any such agreement or commitment does not obligate the University or bind its property for a period in excess of three years or obligate the University to make payments in excess of \$250,000.00.

All other Vice Presidents are authorized to sign contractual agreements or to make final commitments in the name of the University so long as any such agreement or commitment does not obligate the University or bind its property for a period in excess of one year or obligate the University to make payments in excess of \$100,000.00.

(b) Duties of the Treasurer

In carrying out his/her duties, the Treasurer shall be under the supervision and control of the President. In addition to other duties that may be assigned to the Treasurer by the Board of Trustees or the President, the Treasurer shall make and monitor the endowment investments of the University, as recommended by the Investment Committee, approved by the Board of Trustees, or directed by the President, and may execute such documents as may be necessary to carry out the duties assigned hereunder.

(c) Duties of the Secretary

The Secretary shall have the custody of the Seal of the University and shall attest to and affix said seal to such documents as are required in the business of the University, including but not limited to deeds, bonds, mortgages, agreements, contracts, diplomas, evidences of the award of

degrees, transcripts, abstracts or resolutions, certificates, minutes and Bylaws issued pursuant to the authority of the University. The Secretary shall give proper notice of all meetings of the Board of Trustees and shall keep a record of the appointment of all Committees of the Board of Trustees. Furthermore, the Secretary shall keep or cause to be kept a record of the minutes of all meetings of the Board of Trustees and each of its Committees.

4.30 Successors in Office

In the event the President of the University is unable to or refuses to serve or act, the Provost of the University shall serve and act in his place and stead until the President shall be able to serve and act or until his successor, or acting successor, has been selected by the Board of Trustees.

4.40 Bonding of Officers and Agents

All officers and agents who handle the funds and property of the University shall be bonded in favor of the University for the faithful performance of their duties in such sum as the Board of Trustees may prescribe.

ARTICLE V. THE FACULTY

General

5.01 Composition

The members of the University faculties are classified and ranked as follows:

The President of the University, the Provost of the University, the Deans of the Schools, the Professors, Associate Professors, Assistant Professors, Instructors, Senior Lecturers, Lecturers, Visiting Professors, Adjunct Professors, and Scholars (Writers, Composers, Artists, Executives)-in-Residence.

5.02 Term of Appointment

(a) The normal terms of appointment of members of the faculty described in Section 5.01 shall be:

- (1) The President – as provided in Section 4.11;
- (2) The Provost – stated term determined by the President;
- (3) The Deans – stated term determined by the Provost;
- (4) Department Chairs and other academic administrative personnel for stated terms at the pleasure of the Provost;
- (5) Professors, Associate Professors, and Assistant Professors – for a term ranging from one year to a term without limit, upon nomination by the President and confirmation by the Board of Trustees;
- (6) Instructors, Visiting Professors, and Adjunct Professors – by appointment of the President for a one-year term, or less.
- (7) Scholars (Writers, Composers, Artists, Executives)-in-Residence – by appointment of the President, with the recommendation of the respective Dean and approval of the Provost, for a one to three year renewable term, or less, but in no event will the cumulative length of service in this rank exceed six years.
- (8) Lecturers – for terms ranging from one year to a renewable three-year term, by appointment of the President; upon the recommendation of the respective Dean, Lecturers appointed to three-year terms may be appointed as “Senior Lecturer.”

(b) At the end of the stated term, a faculty member's employment with the University is automatically severed unless said faculty member is reappointed by the appropriate authority.

(c) In the case of a faculty member who holds an appointment for a term without limit, such member's employment relationship with the University is automatically severed upon:

- (1) Resignation,
- (2) Dismissal for cause,
- (3) Retirement, or
- (4) Death.

- (d) Nothing herein contained shall prevent the appointment of retired faculty members by the President for terms of one year or less.
- (e) The appointments of all faculty members are subject to financial limitations on conditions of employment; said appointments are subject to termination as a result of extraordinary circumstances because of financial exigency or as a result of a bona fide formal discontinuance of a program; said appointments also are subject to termination for inadequate performance of duty, or for misconduct, or for lack of loyalty to the ideals and aims of the University. Such termination of employment shall be effected by action of the Board of Trustees upon recommendation of the President of the University, or upon recommendation of the Committee on Academic Affairs.

General Faculty

5.10 Powers and Duties

The General Faculty of the University, of which the President is the Chair, and the principal authority of the respective schools of the University, exercising such supervision and direction as in his/her judgment will promote their efficiency, shall be responsible to the Board of Trustees through the President for

- (a) Leadership to achieve and maintain a high quality of intellectual life for the University.
- (b) The professional growth and behavior of the members of the University faculties.
- (c) Control of eligibility of all participants in athletics, the scheduling of games, and all other matters embraced within the rules and regulations of the Southwest Conference.
- (d) Nominations for honorary degrees.
- (e) Such other powers and duties as the Board of Trustees may from time to time delegate to it.

5.11 Delegation of Powers and Duties

The General Faculty shall have the power to delegate such of the powers as are granted to it by the provisions of Article 5.10 to any Committee or subsidiary organization established by the General Faculty, and the Committee or subsidiary organization is authorized to exercise those powers in the name of the General Faculty so long as its acts are consistent with the scope of these Bylaws.

5.12 Meetings

The General Faculty shall meet during the University sessions as often as may be necessary. The General Faculty shall make such rules of procedure as shall be necessary to conduct its meetings, and shall provide for such Committees as it deems necessary or advisable.

5.13 Secretary

The General Faculty shall elect a secretary who shall keep a permanent record of all of its meetings.

5.14 Faculty Membership Entitled to Vote

All full time members of the General Faculty, as defined by University policy from time to time, excluding Adjunct Professors and Scholars (Writers, Composers, Artists, Executives)-in-Residence may vote at meetings of the General Faculty. Adjunct Professors and Scholars (Writers, Composer, Artists, Executives)-in-Residence may attend the General Faculty meetings and take part in deliberations but shall not vote.

Particular Faculties5.20 Powers and Duties

The Faculties of Dedman College, Perkins School of Theology, Edwin L. Cox School of Business, the School of Engineering, the Dedman School of Law and Meadows School of the Arts, respectively shall prescribe and recommend, subject to the approval of the President and the Board of Trustees:

- (a) Requirements for admission;
- (b) Courses of study;
- (c) Conditions of graduation;
- (d) The nature of degrees to be conferred;
- (e) Rules and methods for the conduct of the educational work of the schools;
and
- (f) Candidates for degrees, persons to receive awards of fellowships, scholarships and prizes within their respective schools.

For proposals for cross-disciplinary graduate degrees that would most appropriately be given by the University to be acceptable, two or more of the Faculties previously specified must endorse (a) – (f) above (as relevant) to the Provost. Upon approving the proposed degree, the Provost will appoint a standing oversight committee for the degree, drawing on nominees submitted by the faculty councils (or other equivalents) and the deans of the recommending schools. Such oversight committees will consist of at least three representatives of each of those schools plus three at-large members appointed by the Provost. The committees will be chaired by the Dean of Research and Graduate Studies. Like all other degrees, cross-disciplinary degrees to be conferred by the University are subject to the approval of the President and Board of Trustees.

5.21 Meetings

The faculty of any school may hold meetings whenever such meetings are considered desirable for consideration of matters concerning that particular school, such meetings to be held on call of the Dean of the School or the President of the University.

ARTICLE VI.
THE RIGHT TO RESOLUTION

Any official body of the University, particularly the General Faculty, through the Faculty Senate, and the Student Body, through the Student Senate, shall have the right and the responsibility to speak by resolution through the President of the University to the Board of Trustees on any issue of general University interest or on any issue of specific concern to that official body.

ARTICLE VII.
HONORARY DEGREES

7.01 Nominations

Nominations for honorary degrees shall be made by the General Faculty in accordance with the provisions of Article 5.10, paragraph (d).

7.02 Conferring of Degrees

Honorary degrees will be conferred upon individuals nominated for the degree only upon a three-fourths majority vote of the members of the Board of Trustees voting.

ARTICLE VIII.
INDEMNITY OF TRUSTEES, GOVERNORS AND OFFICERS
AND
LIMITATION OF PERSONAL LIABILITY OF TRUSTEES

8.01 Indemnification

- (a) The University shall indemnify, and advance expenses to, each present or former Trustee or officer of the University against all judgments, penalties (including excise and similar taxes), fines, amounts paid in settlement and reasonable expenses actually incurred by any such Trustee or officer in connection with or arising out of any action, suit or proceeding in which he may be involved by reason of his being or having been a Trustee or officer of the University (whether or not he continues to be a Trustee or officer at the time of incurring such expenses and liabilities) to the fullest and same extent that indemnification of Trustees is permitted by all valid and applicable laws, including, without limitation, Article 2.22A of the Texas Non-Profit Corporation Act. The indemnification and advancement of expenses provided in this section shall (a) also extend to any person who while serving as an officer or Trustee of the University also served at the University's request as a Trustee, director, officer, partner, venturer, proprietor, Trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, (b) not be deemed exclusive of any other rights of such person arising under any law, by any agreement or vote of Trustees, by contract, under any insurance policy maintained by the University, or otherwise, (c) inure to the benefit of the heirs, executors and administrators of such a person and (d) not be required if and to the extent that the person otherwise entitled to payment of such amounts hereunder is entitled to receive payment therefor under any insurance policy, contract or otherwise.
- (b) No amendment, modification or repeal of this Section 8.01 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Trustees or officers to be indemnified by the University, nor the obligation of the University, to indemnify any such indemnitee, under and in accordance with the provisions of the Article as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

8.02 Insurance

The University shall have power to purchase and maintain insurance on behalf of any person who is or was a Trustee or officer of the University or a Trustee of the SMU Retirement Plan, against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such, whether or not the University would have the power to indemnify him/her against such liability under the provisions of Section 8.01 hereof.

8.03 Limitation of Liability

To the fullest extent permitted by applicable law, no Trustee of the corporation shall be liable to the corporation for monetary damages for an act or omission in such Trustee's capacity as a Trustee of the corporation, except that this Section 8.03 shall not eliminate or limit the liability of a Trustee of the corporation for:

- (a) a breach of such Trustee's duty of loyalty to the corporation;
- (b) an act or omission not in good faith that constitutes a breach of duty of such Trustee to the corporation or an act of omission that involves intentional misconduct or a knowing violation of the law;
- (c) a transaction from which such Trustee received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such Trustee's office; or
- (d) an act or omission for which the liability of such Trustee is expressly provided by an applicable statute.

The foregoing provisions of this Section 8.03 shall not eliminate or limit the liability of a Trustee for any act or omission occurring prior to August 31, 1987. Any repeal or amendment of this Section 8.03 shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Trustee of the corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a Trustee of the corporation is not personally liable as set forth in the foregoing provisions of this Section 8.03, a Trustee shall not be liable to the corporation to such further extent as permitted by any law hereafter enacted, including, without limitation, any subsequent amendment to the Texas Miscellaneous Corporation Laws Act or the Texas Business Corporation Act or the Texas Non-Profit Corporation Act.

ARTICLE IX. CONFLICTS OF INTEREST

9.01 The Trustees and Members of Trustee Committees

- (a) In any matter requiring a decision by the Board of Trustees or any Committee of the Board of Trustees in which a participating Trustee or Committee member has an interest other than the interest of the University, the Trustee or Committee member shall disclose the material facts pertaining to such interest and to the matter requiring the decision of the Board or the Committee, and such interest shall be noted in the minutes. The Trustee or Committee member shall withdraw from the meeting unless requested to remain by the presiding officer, and shall abstain from voting when such a matter is before the Board or a Committee for authorization, approval, or ratification, and that action shall also be recorded in the minutes.
- (b) Included in the interests of the Trustee or Committee member described in 9.01 are the interests of immediate family members (for the purposes of this Policy, "immediate family members" shall be a spouse, parents, siblings, children, and any other relative if the latter resides in the same household as the Trustee) and organizations in which the Trustee, Committee member, or immediate family members have a significant management function or ownership interest ("significant management function or ownership interest" shall include for the purposes of this Policy and by way of example, but not limitation, being an officer, director, employee, member, partner, Trustee, or controlling stockholder), and including interests arising from any gifts of more than nominal value received by the Trustee, Committee member or immediate family members from persons or organizations associated with or seeking association with the University, whether as suppliers of goods or services, faculty, students, or others.
- (c) Annually each Trustee and each Committee member shall be furnished an information and interest disclosure statement by the appropriate University officer together with a copy of this section of the Bylaws. This will permit the Trustee or Committee member to disclose any possible duality of interest affecting Southern Methodist University. The information and disclosure statement shall be delivered to the Secretary who will file it with a Committee composed of the Chairman of the Board of Trustees, the Chairman of the Audit Committee, the President, Vice President for Finance and Administration and University General Counsel and shall be held in confidence except as it may be determined by the Committee in the best interest of the University to disclose the information to the Board or a Committee of the Board in executive session. The information statement and interest disclosure statement shall be reviewed in advance by the Audit Committee should changes be proposed.

9.02 Conflicts of Interest Policy for Non-Trustees

The Board shall prescribe by resolution Conflicts of Interest Policy for its Officers, Faculty and Employees as it may deem appropriate from time to time.

ARTICLE X.
PLEDGE AND DISPOSITION OF ASSETS

The assets of Southern Methodist University are pledged for use in carrying out the purposes of the Corporation as stated in Article II of the Restated Articles of Incorporation. Upon discontinuance of Southern Methodist University by dissolution or otherwise, the assets of the University are to be transferred to the South Central Jurisdictional conference of the United Methodist Church if, at the time of such transfer, the South Central Jurisdictional Conference of the United Methodist Church is qualified as a charitable organization under Section 501(c)(3) of the Internal Revenue code of 1986, as amended [16 U.S.C.A. Sec. 501 (c)(3)]. If, at the time of such transfer, the South Central Jurisdictional Conference of the United Methodist Church is not qualified as a charitable organization under Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, the Board of Trustees shall direct the assets of the University to be transferred to an educational, charitable, religious, or other similar organization that is qualified as a charitable organization under Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, or to the State of Texas.

ARTICLE XI.
AMENDMENTS

- 11.01 Subject to the requirements of Section 11.02, these Bylaws may be changed or amended at any meeting of the Trustees by a majority vote of the entire Board; provided, however that no change in the provisions of Article I shall be effective unless approved by a two-thirds vote of the entire Board.

- 11.02 Written notice of any proposed change in or amendment to the Bylaws shall be distributed by the Secretary of the University to all Trustees not less than 30 days before the meeting of the Trustees at which such change or amendment is to be considered; provided, however, that in the event of an emergency this requirement for 30 days' written notice may be waived by a two-thirds vote of the entire Board.

- 11.03 Any member of the Board of Trustees wishing to propose an amendment to these Bylaws should submit the proposed amendment to the secretary of the University and the Secretary shall distribute copies of the proposed amendment to the membership of the Board in accordance with Section 11.02. The provisions of the foregoing sentence are merely directory, not mandatory, and nothing contained therein shall preclude any member of the Board of Trustees from distributing copies of the proposed amendment directly to the membership of the Board or from submitting amendments to the Bylaws from the floor at any meeting, subject to the requirements of Section 11.02.

ARTICLE XII.
EFFECTIVE DATE

These Bylaws shall become effective upon an affirmative vote of the Board of Trustees at any regular or special meeting of the Board of Trustees.

Southern Methodist University

Form 990- 2003

May 31, 2004

75-0800689

Part VII- Analysis of Income Producing Activities

Line 93- Program Service Revenue

Line 93(c) - Auxiliary Activities

Columns (c & d) - Excluded by section 512, 513, or 514

| <u>Exclusion Code</u> | <u>Description</u> | <u>Amount</u> |
|-----------------------|--------------------------------|-------------------------|
| #03 | Food Service Revenue | 2,964,872 |
| #03 | Bookstore Revenue | 1,069,193 |
| #03 | Vending Machines Revenue | 216,113 |
| #03 | Child Day Care Fees | 175,479 |
| #03 | Laundry Machines Revenue | 58,793 |
| #03 | Linen Rental Income | 6,359 |
| #03 | Recreational Equipment Rentals | 2,318 |
| #16 | Facility Rentals | 112,405 |
| | Total Column (d) Line 93(c)- | <u><u>4,605,532</u></u> |

Southern Methodist University

Form 990- 2003

May 31, 2004

75-0800689

Part VII- Analysis of Income Producing Activities

Line 93- Program Service Revenue

Line 93(e) - Other

Column a & b - Unrelated Business Income

| <u>Business Code</u> | <u>Description</u> | <u>Amount</u> |
|----------------------|--|------------------|
| 531390 | Partnership losses | (242,791) |
| 561520 | Alumni Tours | 14,794 |
| 561700 | Steam Sales-Highland Park Methodist Church | 69,595 |
| 541800 | SMU Southwest Review-Advertising | 425 |
| | Total Line 93(e)-Column (b) | <u>(157,977)</u> |

Line 93(e) - Other

Columns (c & d) - Excluded by section 512, 513, or 514

| <u>Exclusion Code</u> | <u>Description</u> | <u>Amount</u> |
|-----------------------|------------------------------------|------------------|
| #03 | Parking Revenue | 1,772,599 |
| #03 | Health Center Revenue | 946,278 |
| #03 | Sales Revenue- Microcomputer | 44,644 |
| #03 | Copy Machines Revenue | 203,232 |
| #03 | Security Services Fees | 228,917 |
| #03 | Student Telephones | 4,751 |
| #18 | Sales of Scrap | 935,063 |
| #16 | Facility Rentals | 654,900 |
| | Total Column (d) Line 93(e)- Other | <u>4,790,384</u> |

Southern Methodist University

Form 990- 2003

May 31, 2004

75-0800689

Part VII - Analysis of Income Producing Activities

Line 99 - Other Investment Income

Column (c & d)- Excluded by section 512, 513, or 514

| <u>Exclusion Code</u> | <u>Description</u> | <u>Amount</u> |
|-----------------------|--------------------------------------|------------------|
| #14 | Notes Interest Income | 721,002 |
| #14 | Funds Held in Trust by Others Income | 475,509 |
| #15 | Mineral Interest Income | 3,504,013 |
| | | <u>4,700,524</u> |

Southern Methodist University

Form 990- 2003

May 31, 2004

75-0800689

Part VIII - Relationship of Activities to the
Accomplishment of Exempt Purpose

Below are the explanations of income reported in Part VII, column (e) and how they contribute to the University's exempt function:

- Line 93 (a) - Tuition and fees income is generated from SMU's instructional activity, its primary function.
- Line 93 (b) - Organized activities include revenues generated from conferences, seminars, lectures, sport training camps, etc. that provide educational services to those attending.
- Line 93 (c) - Auxiliary activities include revenue from residence halls and other campus rentals and intercollegiate athletic revenue. Living on campus and engaging in campus activities provides the college experience, enhancing the educational function.
- Line 93 (e) - Other revenue generated, which is incidental to the University's educational purpose, includes student processing fees (add/drop, matriculation, etc.), library fees, cultural activities, ticket sales not reported elsewhere, and continuing education. Other fees, fines and bookkeeping corrections generally associated with educational programs are also reflected herein.
- Line 94 - Dues/membership fees include Alumni memberships and Staff Club memberships. Membership payments to the Alumni Association support alumni functions. Memberships in this organization are used to help perpetuate donations to the University to support its exempt function. The Staff Club communicates meaningful issues to the staff.

Southern Methodist University
75-0800689
Form 990-2003
Schedule A, Part I, Compensation of Five Highest Paid Employees
May 31, 2004

| Column (A) <u>Name and Address</u> | Column (B) <u>Title and average hours per week devoted to position</u> | Column (C) <u>Compensation</u> | Column (D) Contributions to <u>employee benefit plans and deferred compensation</u> | Column (E) <u>Expense account and other allowances</u> |
|---|---|---------------------------------------|---|---|
| Michael Cavan P O. Box 750315 Dallas, TX 75275-0315 | Former Head Football Coach 37 5 Hours | \$400,000 | 37,618 | 1,032 |
| William Dillon P O Box 750333 Dallas, TX 75275-0333 | Associate Dean Business School 37 5 Hours | \$313,116 | 35,959 | 1,032 |
| W James Copeland, Jr P O Box 750216 Dallas, TX 75275-0216 | Director of Athletics 37 5 Hours | 368,050 | 38,765 | 10,282 |
| Albert Niemi, Jr P O Box 750333 Dallas, TX 75275-0333 | Dean of Business School 37 5 Hours | 351,313 | 32,700 | 3,616 |
| Phil Bennett P O Box 750333 Dallas, TX 75275-0333 | Football Coach 37 5 Hours | 450,000 | 45,871 | 2,880 |

Southern Methodist University
75-0800689
Form 990-2003
Schedule A- Part III Line 3 (a)
May 31, 2004

The University provides financial aid to students to enable them to attend the University. All financial aid 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 University's assessment on the basis of academic achievement, financial need and other similar standards.

Southern Methodist University

75-0800689

Form 990-2003

Schedule A- Part VI-B

May 31, 2004

Part VI - B

Lobbying Activity by Nonelecting Public Charities

(a) Volunteers:

The institution occasionally will call on volunteer(s) to speak on behalf of the University in matters pending before the local City Council.

(b) Paid Staff:

Paid staff assisted the consultants in the efforts described in (g), had limited contact with state legislators during the time between sessions, and worked with local municipalities.

(d) Mailings to Members, Legislators, or The Public:

Expense is for correspondence to contact various elected officials and/or their staff.

(g) Lobbying Activity by Non-electing Public Charities:

During the second half of 2003 and first half of 2004, our political activities were carried out by consultants who advocated approval by the U.S. Congress of funding for education and research projects for SMU. These projects included: funds for research and programs involving Anti-Microbial Research, Rule of Law Forum, Multi-Fab (RCAM), and funds to support a consortium of child care providers/educators and researchers supporting early childhood reading - Decri, and Engineering Education.

Southern Methodist University
75-0800689
Schedule A-Part III, Line 2 (c)
May 31, 2004

SMU maintains a brokerage account at RBC Dain Rauscher Inc. ("RBCDR") that is used to sell donated marketable securities. During 2004 the University also invested non-endowment funds through RBCDR. A Trustee of SMU is a registered representative employed by RBCDR as a Senior Vice President, but is not a controlling person of RBCDR and owns no interest in RBCDR. Brokerage commissions and fees charged to SMU by RBCDR on such securities transactions and investments are no greater than those charged third parties for similar services.

Southern Methodist University

75-0800689

Form 990-2003

Schedule A- Part V Line 34 (a)

May 31, 2004

The University participates in the Federal Perkins Loan Program, Federal Supplemental Educational Opportunity Grant; Federal Work-Study Program, Federal PELL Grant, Federal Family Educational Loan Programs, Texas Tuition Equalization Grant, TEXAS Grant , Leveraging Educational Assistance Partnership (LEAP) and Supplemental Leveraging Educational Assistance Partnership (SLEAP) through the state of Texas and receives Federal and State funding for research grants and contracts.

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

File a separate application for each return.

* If you are filing for an AUTOMATIC 3-MONTH EXTENSION, COMPLETE ONLY PART I and check this box ☒ **X**

* If you are filing for an ADDITIONAL (NOT AUTOMATIC) 3-MONTH EXTENSION, COMPLETE ONLY PART II (on page 2 of this form).

NOTE: DO NOT COMPLETE PART II UNLESS YOU HAVE ALREADY BEEN GRANTED AN AUTOMATIC 3-MONTH EXTENSION ON A PREVIOUSLY FILED FORM 8868.**PART I** AUTOMATIC 3-MONTH EXTENSION OF TIME - Only submit original (no copies needed)**NOTE: FORM 990-T CORPORATIONS** requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

| | | |
|------------------|--|--|
| TYPE OR PRINT | Name of Exempt Organization Southern Methodist University | EMPLOYER IDENTIFICATION NUMBER 75-0800689 |
|------------------|--|--|

File by the
due date for
filing your return
See instructions

Number, street, and room or suite no. If a P.O. box, see instructions.

P.O. Box 750261

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

Dallas, TX 75275-0261

CHECK TYPE OF RETURN TO BE FILED (file a separate application for each return):

| | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

* If the organization does NOT have an office or place of business in the United States, check this box ☐* If this is for a GROUP RETURN, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the WHOLE group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.1 I request an automatic 3-month (6-month, for 990-T CORPORATION) extension of time until 1/17/2005 to file the exempt organization return for the organization named above. The extension is for the organization's return for:☐ calendar year _____ or☒ tax year beginning 6/1/2003, and ending 5/31/20042 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period3 a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ -0-b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ -0-

c BALANCE DUE. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System).

See instructions \$ -0-**SIGNATURE AND VERIFICATION**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

| | | |
|---|------------------|----------------------------|
| Signature <u>Chickie H. Bumgardner</u> | Title <u>CPA</u> | Date <u>10/12/04</u> |
| For Paperwork Reduction Act Notice, see Instruction (HTA) | | Form 8868 (12-2000) |

Certified Mail # 7003 0500 0004 6142 9694

* If you are filing for an ADDITIONAL (NOT AUTOMATIC) 3-MONTH EXTENSION, COMPLETE ONLY PART II and check this box ☒ X

NOTE: ONLY COMPLETE PART II IF YOU HAVE ALREADY BEEN GRANTED AN AUTOMATIC 3-MONTH EXTENSION ON A PREVIOUSLY FILED FORM 8868.

* If you are filing for an AUTOMATIC 3-MONTH EXTENSION, COMPLETE ONLY PART I (on page 1).

PART II ADDITIONAL (NOT AUTOMATIC) 3-MONTH EXTENSION OF TIME - MUST FILE ORIGINAL AND ONE COPY.

| | | |
|--|---|--|
| TYPE OR PRINT | Name of Exempt Organization Southern Methodist University | EMPLOYER IDENTIFICATION NUMBER 75-0800689 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. P.O. Box 750261 | For IRS use only |
| File by the extended due date for filing the return. See instructions | City, town or post office, state, and ZIP code. For a foreign address, see instructions. Dallas, TX 75275-0261 | |

CHECK TYPE OF RETURN TO BE FILED (File a separate application for each return):

| | | | | | |
|--|--------------------------------------|---|--------------------------------------|------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 5227 | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 6069 | |

STOP: DO NOT COMPLETE PART II IF YOU WERE NOT ALREADY GRANTED AN AUTOMATIC 3-MONTH EXTENSION ON A PREVIOUSLY FILED FORM 8868.

* If the organization does NOT have an office or place of business in the United States, check this box ☐

* If this is for a GROUP RETURN, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the WHOLE group, check this box ☐. If it is for PART of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 4/15/2005.

5 For calendar year _____, or other tax year beginning 6/1/2003 and ending 5/31/2004.

6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension Additional time is requested to file a complete and accurate return as all the information is not yet available.

8 a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ -0-

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ -0-

c BALANCE DUE. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ -0-

SIGNATURE AND VERIFICATION

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature Vickie Bumgarner Title CPA Date 1/10/05

NOTICE TO APPLICANT-TO BE COMPLETED BY THE IRS

☒ We HAVE approved this application. Please attach this form to the organization's return.

☐ We HAVE NOT approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.

☐ We HAVE NOT approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.

☐ We CANNOT CONSIDER this application because it was filed after the due date of the return for which an extension was requested.

☐ Other _____

By: _____ Date FEB 1 2005

Director _____

ALTERNATE MAILING ADDRESS - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

| | |
|------------------|---|
| TYPE OR PRINT | NAME |
| | NUMBER AND STREET (INCLUDE SUITE, ROOM, OR APT. NO.) OR A P.O. BOX NUMBER |
| | CITY OR TOWN, PROVINCE OR STATE, AND COUNTRY (INCLUDING POSTAL OR ZIP CODE) |