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AMENDED

0506

OMB No 1545-0047

2004

Open to Public Inspection

Form 990

Return of Organization Exempt From Income Tax

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

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

Department of the Treasury
Internal Revenue Service

A For the 2004 calendar year, or tax year beginning 07/01, 2004, and ending 06/30, 2005

B Check if applicable: <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization VANDERBILT UNIVERSITY Number and street (or P O box if mail is not delivered to street address) Room/suite VU STATION B, BOX 356310 City or town, state or country, and ZIP + 4 NASHVILLE, TN 37235-6310	D Employer identification number 62 0476822 E Telephone number (615) 343-6601 F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶
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Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: WWW.VANDERBILT.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.

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 ▶ N/A
H(c) Are all affiliates included? N/A ☐ 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 ▶ N/A

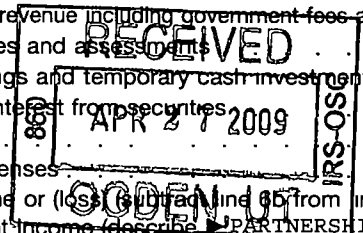
M Check ☐ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 5,956,107,782

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Direct public support	1a	93,259,435	
	b Indirect public support	1b		
	c Government contributions (grants)	1c	257,240,588	
	1d Total (add lines 1a through 1c) (cash \$ 323,413,993 noncash \$ 27,086,030)			350,500,023
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		1,838,660,131
	3 Membership dues and assessments	3		
	4 Interest on savings and temporary cash investments	4		
	5 Dividends (including interest from securities)	5		83,122,085
	6a Gross rents	6a	15,058,925	
	b Less: rental expenses	6b	12,368,216	
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c		2,690,709
7 Other investment income (describe: PARTNERSHIP INVESTMENT LOSS)	7		-24,829,546	
Revenue	8a Gross amount from sales of assets other than inventory STMT 1	(A) Securities	3,654,136,685	8a
	b Less: cost or other basis and sales expenses		3,444,762,937	8b
	c Gain or (loss) (attach schedule)		209,373,748	8c
	d Net gain or (loss) (combine line 8c, columns (A) and (B))			8d
	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
	a Gross revenue (not including \$ 1,624,672 of contributions reported on line 1a) STMT 2	9a	1,332,787	
	b Less: direct expenses other than fundraising expenses	9b	1,416,561	
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		-83,774
	10a Gross sales of inventory, less returns and allowances STMT 3	10a	17,303,630	
	b Less: cost of goods sold	10b	6,641,843	
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		10,661,787	
11 Other revenue (from Part VII, line 103)	11		20,823,062	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		2,490,918,225	
Expenses	13 Program services (from line 44, column (B))	13		2,212,586,018
	14 Management and general (from line 44, column (C))	14		82,142,139
	15 Fundraising (from line 44, column (D))	15		19,858,132
	16 Payments to affiliates (attach schedule)	16		
	17 Total expenses (add lines 16 and 44, column (A))	17		2,314,586,289
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		176,331,936
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		3,559,376,463
	20 Other changes in net assets or fund balances (attach explanation) STMT 4	20		151,722,903
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		3,887,431,302

SCANNED MAY 19 2009



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) ^{STMT 5} (cash \$ <u>195,393,596</u> noncash \$ <u>NONE</u>)	22 195,393,596	195,393,596		
23	Specific assistance to individuals (attach schedule)	23 NONE	NONE		
24	Benefits paid to or for members (attach schedule)	24 NONE	NONE		
25	Compensation of officers, directors, etc.	25 5,252,843	NONE	5,252,843	NONE
26	Other salaries and wages	26 1,052,558,383	999,925,912	42,366,229	10,266,242
27	Pension plan contributions	27 51,860,393	51,066,219	794,174	NONE
28	Other employee benefits	28 118,083,232	109,147,077	7,141,007	1,795,148
29	Payroll taxes	29 51,611,569	47,210,179	3,517,213	884,177
30	Professional fundraising fees	30 436,606	NONE	NONE	436,606
31	Accounting fees	31 456,429	85,445	370,984	NONE
32	Legal fees	32 2,402,172	540,044	1,862,128	NONE
33	Supplies	33 233,689,335	223,484,993	9,408,245	796,097
34	Telephone	34 14,549,654	13,578,725	738,484	232,445
35	Postage and shipping	35 5,599,636	4,923,861	211,905	463,870
36	Occupancy	36 225,163,502	221,636,234	2,429,882	1,097,386
37	Equipment rental and maintenance	37 106,110,111	102,016,709	3,794,017	299,385
38	Printing and publications	38 17,372,377	15,515,236	326,955	1,530,186
39	Travel	39 18,516,880	17,080,449	531,884	904,547
40	Conferences, conventions, and meetings	40 13,606,747	12,761,432	596,668	248,647
41	Interest	41 26,830,164	26,830,164	NONE	NONE
42	Depreciation, depletion, etc. (attach schedule) ^{STMT 11}	42 104,902,631	104,902,631	NONE	NONE
43	Other expenses not covered above (itemize) a	43a			
b	PROF. SERVICES AND CONTRACTS	43b 70,190,029	66,487,112	2,799,521	903,396
c		43c			
d		43d			
e		43e			
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44 2,314,586,289	2,212,586,018	82,142,139	19,858,132

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? SEE STATEMENT 6		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a	SEE STATEMENT 6	
	(Grants and allocations \$ 195,393,596)	2,212,586,018
b		
	(Grants and allocations \$)	
c		
	(Grants and allocations \$)	
d		
	(Grants and allocations \$)	
e	Other program services (attach schedule) (Grants and allocations \$)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services).	2,212,586,018

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		45	
	46 Savings and temporary cash investments	186,942,087	46	217,697,197
	47a Accounts receivable	388,597,123		
	b Less: allowance for doubtful accounts	158,335,396	47c	230,261,727
	48a Pledges receivable	90,671,442		
	b Less: allowance for doubtful accounts	6,290,136	48c	84,381,306
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule) STMT 7	1,367,325	50	1,338,428
	51a Other notes and loans receivable (attach schedule) STMT 8	38,992,693		
	b Less: allowance for doubtful accounts	3,875,532	51c	35,117,161
	52 Inventories for sale or use	21,514,794	52	24,123,222
	53 Prepaid expenses and deferred charges	54,058,990	53	55,994,456
	54 Investments—securities (attach schedule) STMT 9 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	2,688,123,814	54	3,180,332,990
	55a Investments—land, buildings, and equipment, basis			
	b Less: accumulated depreciation (attach schedule)		55c	
56 Investments—other (attach schedule) STMT 10	53,823,989	56	49,749,211	
57a Land, buildings, and equipment: basis	2,388,270,927			
b Less: accumulated depreciation (attach schedule) STMT 11	1,023,093,731	57c	1,365,177,196	
58 Other assets (describe <input type="checkbox"/> COLLATERAL UNDER SECURITY LENDING AGREEMENTS)	254,844,250	58	324,756,789	
59 Total assets (add lines 45 through 58) (must equal line 74)	4,876,707,068	59	5,568,929,683	
Liabilities	60 Accounts payable and accrued expenses	304,851,512	60	397,963,560
	61 Grants payable		61	
	62 Deferred revenue	36,187,766	62	48,091,062
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule) STMT 12	599,335,017	64a	775,990,102
	b Mortgages and other notes payable (attach schedule) STMT 13	10,465,494	64b	9,909,116
	65 Other liabilities (describe <input type="checkbox"/> STMT 14)	366,490,816	65	449,544,541
66 Total liabilities (add lines 60 through 65)	1,317,330,605	66	1,681,498,381	
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	2,715,712,547	67	3,044,385,688
	68 Temporarily restricted	221,982,509	68	175,043,335
	69 Permanently restricted	621,681,407	69	668,002,279
	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)	3,559,376,463	73	3,887,431,302
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	4,876,707,068	74	5,568,929,683	

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.)**

a	Total revenue, gains, and other support per audited financial statements . . . ▶	a	2,526,304,383
b	Amounts included on line a but not on line 12, Form 990:		
	(1) Net unrealized gains on investments . . . \$ 186,792,177		
	(2) Donated services and use of facilities \$ _____		
	(3) Recoveries of prior year grants . . . \$ _____		
	(4) Other (specify): STMT 15 _____ \$ -151,406,019		
	Add amounts on lines (1) through (4) ▶	b	35,386,158
c	Line a minus line b ▶	c	2,490,918,225
d	Amounts included on line 12, Form 990 but not on line a :		
	(1) Investment expenses not included on line 6b, Form 990. . . \$ _____		
	(2) Other (specify): _____ _____ \$ _____		
	Add amounts on lines (1) and (2) ▶	d	0
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	2,490,918,225

Part IV-B	Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
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<p>a Total expenses and losses per audited financial statements . . . ▶</p>	<p>a 2,198,249,544</p>
<p>b Amounts included on line a but not on line 17, Form 990:</p> <p>(1) Donated services and use of facilities \$ _____</p> <p>(2) Prior year adjustments reported on line 20, Form 990. . . . \$ _____</p> <p>(3) Losses reported on line 20, Form 990. . . \$ _____</p> <p>(4) Other (specify): RENT EXPENSE ----- \$ 12,368,216</p>	<p>b 12,368,216</p>
<p>Add amounts on lines (1) through (4)▶</p>	<p>c 2,185,881,328</p>
<p>c Line a minus line b ▶</p>	
<p>d Amounts included on line 17, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 6b, Form 990 . . . \$ _____</p> <p>(2) Other (specify): FINANCIAL AID ----- \$ 128,704,961</p>	<p>d 128,704,961</p>
<p>Add amounts on lines (1) and (2)▶</p>	
<p>e Total expenses per line 17, Form 990 (line c plus line d) ▶</p>	<p>e 2,314,586,289</p>

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

[illegible]

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? **▶** ☐ Yes ☒ No
If "Yes," attach schedule—see page 28 of the instructions.

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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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. SEE ATTACHED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes," has it filed a tax return on Form 990-T for this year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes," enter the name of the organization ▶ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a Enter direct and indirect political expenditures. See line 81 instructions 81a NONE		
b Did the organization file Form 1120-POL for this year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b		
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
84a Did the organization solicit any contributions or gifts that were not tax deductible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	N/A	
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c Dues, assessments, and similar amounts from members. 85c N/A		
d Section 162(e) lobbying and political expenditures. 85d N/A		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A		
f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
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?	N/A	
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12. 86a N/A		
b Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a N/A		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A		
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
89a 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		<input checked="" type="checkbox"/>
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ NONE		
d Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ NONE		
90a List the states with which a copy of this return is filed ▶ CA		
b Number of employees employed in the pay period that includes March 12, 2004 (See instructions.) 90b 18,751		
91 The books are in care of ▶ BETTY PRICE Telephone no. ▶ (615) 343-6601 Located at ▶ VU STATION B, BOX 356310, NASHVILLE, TN ZIP + 4 ▶ 37235-6310		
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 N/A		

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) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount		
93 Program service revenue:						
a STMT 18		8,375,671				1,830,284,460
b						
c						
d						
e						
f Medicare/Medicaid payments						
g Fees and contracts from government agencies						
94 Membership dues and assessments						
95 Interest on savings and temporary cash investments						
96 Dividends and interest from securities			14	83,122,085		
97 Net rental income or (loss) from real estate:						
a debt-financed property						
b not debt-financed property			16	2,690,709		
98 Net rental income or (loss) from personal property						
99 Other investment income	525990	6,952,385	14	-31,781,931		
100 Gain or (loss) from sales of assets other than inventory			18	209,373,748		
101 Net income or (loss) from special events			01	-83,774		
102 Gross profit or (loss) from sales of inventory						10,661,787
103 Other revenue: a STMT 19		176,000		3,026,211		17,620,851
b						
c						
d						
e						
104 Subtotal (add columns (B), (D), and (E))		15,504,056		266,347,048		1,858,567,098
105 Total (add line 104, columns (B), (D), and (E))						2,140,418,202

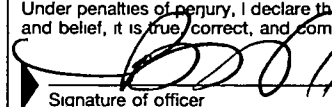
Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions.)

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).
93	ALL ACTIVITIES REPORTED IN COLUMN (E) OF PART VII CONTRIBUTE IMPORTANTLY TO VANDERBILT'S
103	TAX-EXEMPT MISSIONS OF EDUCATION, ACADEMIC/SCIENTIFIC RESEARCH, AND PATIENT CARE -
	SEE STATEMENT 6

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
STMT 20	%		30,768,296	213,814,145
	%			
	%			
	%			

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 accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	 Signature of officer		04-22-2009 Date	
Paid Preparer's Use Only	BETTY PRICE, INTERIM VICE-CHANCELLOR FOR FINANCE AND CFO			
	Type or print name and title.			
	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W)
	Firm's name (or yours if self-employed), address, and ZIP + 4		EIN	Phone no. ()

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

2004▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

VANDERBILT UNIVERSITY

Employer identification number

62-0476822**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
SEE STATEMENTS 21 AND 17				
Total number of other employees paid over \$50,000 ▶	6,500			

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
ROCKY MOUNTAIN HELICOPTERS, INC.	LIFE FLIGHT SERVICE	
P.O. BOX 676592, DALLAS, TX 75267		6,608,101
RENAL CARE GROUP, LLC	MANAGEMENT FEES	
2525 WEST END AVE., STE. 600, NASHVILLE, TN 37203		6,085,118
SHARED HOSPITAL SERVICES CORPORATION	LINEN SERVICE	
P.O. BOX 651130, CHARLOTTE, NC 28265		4,071,298
D T S AMERICA, INC.	TRANSCRIPTION SERVICE	
1916 PATTERSON ST., STE. 603, NASHVILLE, TN 37203		4,057,825
LEWIS COMMUNICATIONS INC.	ADVERTISING SERVICE	
600 CORPORATE PARKWAY, BIRMINGHAM, AL 35242		3,964,435
Total number of others receiving over \$50,000 for professional services ▶	282	

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 ▶ \$ 176,523 (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)

1

✓

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** ✓
- b** Lending of money or other extension of credit? **2b** ✓
- c** Furnishing of goods, services, or facilities? **2c** ✓
- d** Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? **2d** ✓
- e** Transfer of any part of its income or assets? **2e** ✓

- 3a** Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) **3a** ✓

- b** Do you have a section 403(b) annuity plan for your employees? **3b** ✓

- 4a** Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? **4a** ✓

- b** Do you provide credit counseling, debt management, credit repair, or debt negotiation services? **4b** ✓

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

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

- 5** ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)
- 6** ☒ A school. Section 170(b)(1)(A)(ii). (Also complete Part V)
- 7** ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8** ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9** ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶
- 10** ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a** ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b** ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12** ☐ An organization that normally receives: **(1) more than 33⅓%** 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 33⅓%** 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 5 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. N/A

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(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. N/A. ▶					26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c
d Add. Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶					26d
e Public support (line 26c minus line 26d total) ▶					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2003) _____ (2002) _____ (2001) _____ (2000) _____					
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:					
(2003) _____ (2002) _____ (2001) _____ (2000) _____					
c Add. Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶					27c
d Add. Line 27a total, _____ and line 27b total, _____ ▶					27d
e Public support (line 27c total minus line 27d total) ▶					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 7 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	✓	
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	✓	
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) STMT 24	✓	
32	Does the organization maintain the following.		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	✓	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	✓	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	✓	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	✓	
33	Does the organization discriminate by race in any way with respect to.		
a	Students' rights or privileges?		✓
b	Admissions policies?		✓
c	Employment of faculty or administrative staff?		✓
d	Scholarships or other financial assistance?		✓
e	Educational policies?		✓
f	Use of facilities?		✓
g	Athletic programs?		✓
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		✓
34a	Does the organization receive any financial aid or assistance from a governmental agency? STMT 25	✓	
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.		✓
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	✓	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures (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	NONE
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	176,523
38	Total lobbying expenditures (add lines 36 and 37)	38	176,523
39	Other exempt purpose expenditures	39	2,307,508,134
40	Total exempt purpose expenditures (add lines 38 and 39)	40	2,307,684,657
41	Lobbying nontaxable amount. Enter the amount from the following table— <div style="display: flex; justify-content: space-between;"> <div> 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 </div> <div> 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 </div> </div>	41	1,000,000
42	Grassroots nontaxable amount (enter 25% of line 41).	42	250,000
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36.	43	NONE
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38.	44	NONE

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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
46 Lobbying ceiling amount (150% of line 45(e))					6,000,000
47 Total lobbying expenditures	176,523	212,178	275,583	415,100	1,079,384
48 Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
49 Grassroots ceiling amount (150% of line 48(e))					1,500,000
50 Grassroots lobbying expenditures	NONE	NONE	NONE	NONE	NONE

Part VI-B Lobbying Activity by Nonelecting Public Charities NOT APPLICABLE
(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h.)

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

Yes	No	Amount

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 11 of the instructions.)

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

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

		Yes	No
a	Transfers from the reporting organization to a noncharitable exempt organization of:		
	(i) Cash	51a(i)	✓
	(ii) Other assets	a(ii)	✓
b	Other transactions:		
	(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)	✓
	(ii) Purchases of assets from a noncharitable exempt organization	b(ii)	✓
	(iii) Rental of facilities, equipment, or other assets	b(iii)	✓
	(iv) Reimbursement arrangements	b(iv)	✓
	(v) Loans or loan guarantees	b(v)	✓
	(vi) Performance of services or membership or fundraising solicitations	b(vi)	✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c	✓

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

[illegible]

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

b If "Yes," complete the following schedule.

[illegible]

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 1 – Form 990, Part I, Line 8 – Sales of Assets Other Than Inventory

Gross Proceeds from Sales of Investments	\$ 3,654,136,685
Less Cost of Investments	<u>\$ (3,444,762,937)</u>
Realized Gain on Sales of Investments	<u>\$ 209,373,748</u>

STATEMENT 2 – Form 990, Part I, Line 9 – Special Events and Activities

Event	Description			
Max It Out for Meningitis	Event to raise funds and promote awareness about meningitis			
Children's Miracle Network Telethon	10-hour telethon to raise funds for local member hospitals			
Iroquois Steeplechase	Horse race over obstacles to raise funds to provide specialized pediatric care to area children			
	Max It Out for Meningitis	Children's Miracle Network Telethon	Iroquois Steeplechase	Total
Gross Receipts	\$ 384,871	\$ 1,108,176	\$ 1,464,412	\$ 2,957,459
Less: Contributions	\$ 144,034	\$ 1,108,102	\$ 372,536	\$ 1,624,672
Net Exempt Revenue	\$ 240,837	\$ 74	\$ 1,091,876	\$ 1,332,787
Less Direct Expense	\$ 194,247	\$ 131,444	\$ 1,090,870	\$ 1,416,561
Net Income (Loss)	<u>\$ 46,590</u>	<u>\$ (131,370)</u>	<u>\$ 1,006</u>	<u>\$ (83,774)</u>

STATEMENT 3 – Form 990, Part I, Line 10 – Sales of Inventory

	Gross Sales	Cost of Goods Sold	Gross Profit
University Press Publications	\$ 389,484	\$ 188,549	\$ 200,935
University Dining Services	\$ 13,207,366	\$ 4,890,344	\$ 8,317,022
Hospital Cafeteria	\$ 3,706,780	\$ 1,562,950	\$ 2,143,830
	<u>\$ 17,303,630</u>	<u>\$ 6,641,843</u>	<u>\$ 10,661,787</u>

The "Cost of Goods Sold" column includes only materials and food costs, and does not include any labor or other overhead costs related to the respective operations

STATEMENT 4 – Form 990, Part I, Line 20 – Other Changes in Net Assets or Fund Balances

Description	Amount
Unrealized Gain on Investments	\$ 186,792,177
Unrealized Gain on Contributions	\$ 5,864,713
Mark to Market Adjustments	<u>\$ (40,933,987)</u>
Total	<u>\$ 151,722,903</u>

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 5 – Form 990, Part II, Line 22 – Grants and Allocations

<u>Recipient Name and Address</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
Undergraduate Students VU Station B, Box 356310, Nashville, TN 37235	Educational	\$ 86,111,289
Graduate Students VU Station B, Box 356310, Nashville, TN 37235	Educational	\$ 48,379,173
Professional Students VU Station B, Box 356310, Nashville, TN 37235	Educational	\$ 23,230,512
Grant Subcontracts VU Station B, Box 356310, Nashville, TN 37235	Research	\$ 37,672,622
Total		<u>\$ 195,393,596</u>

STATEMENT 6 – Form 990, Part III – Statement of Program Service Accomplishments

Primary Exempt Purpose – Education, Academic/Scientific Research, Patient Care

Vanderbilt University, founded in 1873, is a privately endowed, coeducational, not-for-profit, nonsectarian institution located in Nashville, Tennessee. The University is governed by an independent, self-perpetuating Board of Trust.

Vanderbilt University is recognized internationally as one of the premier research and teaching universities. Vanderbilt's undergraduate, graduate, and professional programs rank among the finest in the world. The University's students – approximately 6,300 undergraduate and more than 5,000 graduate and professional students – and its 2,500 full time faculty and 16,800 staff members work together to support multidisciplinary study, academic research, and public service. The University also provides health care services through its medical center, which includes Vanderbilt University Hospital, The Vanderbilt Clinic, and the Monroe Carell Jr. Children's Hospital. During the current fiscal year, the medical center performed 35,022 surgeries, admitted 42,611 patients, served 940,018 outpatients, and cared for 82,051 patients in its emergency rooms.

The University maintains state of the art facilities on its 330-acre campus. Vanderbilt's academic enterprise comprises interdisciplinary programs and centers, as well as ten schools and colleges - the College of Arts and Science, the Graduate School, the Blair School of Music, the Divinity School, the School of Engineering, the Law School, the School of Medicine, the Owen Graduate School of Management, and the School of Nursing, and Peabody College of education and human development.

The University is a center for scholarly research, informed and creative teaching and service to the community and society at large. Vanderbilt will uphold the highest standards and be a leader in the

- *quest for new knowledge through scholarship,
- *dissemination of knowledge through teaching and outreach, and;
- *creative experimentation of ideas and concepts

In pursuit of these goals, Vanderbilt values most highly:

- *intellectual freedom that supports open inquiry, and
- *equality, compassion, and excellence in all endeavors

Vanderbilt University strives to serve as a national and international leader in teaching, research, patient care and public service. The University's intent on fostering new ideas and new methodologies, on discovering new cures and new methods all stem from its desire to be a great place of learning, a distinguished place of care. Achieving these things is the sole purpose of the University's dedicated faculty, students, and staff and other members of the extended Vanderbilt community.

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 6 – Form 990, Part III – Statement of Program Service Accomplishments - continued

Some of the University's highlights and achievements during the current fiscal year include

- ❖ Vanderbilt University School of Nursing signed an agreement with the newly established nursing program within Scheer Memorial Hospital in Kathmandu, Nepal. The School of Nursing will provide the new program with textbooks, faculty development opportunities, and consultation services. This agreement, which aims to favorably impact Nepal's nursing shortage, will help create what is reported to be Nepal's first nursing curriculum that meets the requirements of regulatory bodies in both Nepal and the United States.
- ❖ Vanderbilt University Medical Center was named by U.S. News and World Report as one of the nation's 50 best hospitals based upon several factors, including reputation among board-certified physicians, mortality statistics, nursing care, and medical technology. The Medical Center ranked among the top 50 in nine major specialties, with particularly high ranking in kidney disease; ear, nose and throat, respiratory disorders, and hormonal disorders.
- ❖ Vanderbilt University advanced to 18th place in the U.S. News and World Report survey of the best national universities. Vanderbilt's service learning efforts, which incorporate volunteering as an instructional strategy, are recognized by the magazine as an example of outstanding academic programs leading to student success.
- ❖ Vanderbilt's research awards ranked among the top 25 U.S. universities for the first time in recent history. The rankings, as compiled by the National Science Foundation, define each university's respective success in obtaining federal funding for science and engineering and are considered one of the more objective measures of research quality because of the manner in which federal funds are distributed.
- ❖ Vanderbilt hosted a conference for dozens of Russian and American scientists and officials to explore international nuclear security solutions. With heightened concern in the wake of terrorist attacks, the attendees explored a wide range of issues related to nuclear security, from nonproliferation activities to hazardous and radioactive waste transport and storage.
- ❖ Vanderbilt University Medical Center and the Nashville Veterans Administration Hospital reached a milestone together as Vanderbilt completed its 500th heart transplant. Vanderbilt is one of four major transplant centers in the country approved to provide heart transplants to veterans. The Medical Center is one of the few medical centers in the country to reach the 500-plus heart transplant mark.
- ❖ The Vanderbilt Institute for Integrative Biosystems Research and Education joined with Pria Diagnostics LLC, a privately held California company that specializes in miniaturized medical diagnostics, to collaborate on research for the production of a portable home HIV-AIDS test. Researchers aim to develop a device with the ability to detect the presence of HIV-AIDS and other infectious diseases such as measles, as well as biological agents such as ricin and anthrax.
- ❖ Vanderbilt's Owen Graduate School of Management ranked 31st among the best MBA programs in the world and 21st among those in the United States, according to Financial Times, one of the world's leading business publications. The University was recognized by the magazine's editors for the strength of its finance program.
- ❖ The Monroe Carell Jr. Children's Hospital celebrated its one-year anniversary. The Children's Hospital gained national recognition for its family-centered and child-friendly environment for patient care, ranking eighth in Child magazine's listing of the top 10 children's hospitals in the country.
- ❖ The National Science Foundation (NSF) tapped the Vanderbilt Institute for Software Integrated Systems (ISIS) to play an important role in a major new \$19 million NSF multi-institutional center to protect the nation's computer infrastructure from cyber attacks. Vanderbilt is one of eight university collaborators forming the Team for Research in Ubiquitous Secure Technology, a new NSF Science and Technology Center. Researchers will help develop new technologies to protect the nation's infrastructure from attack by terrorists.
- ❖ Vanderbilt Hospital opened its newly renovated and expanded emergency department. The new, state-of-the-art facility contains 46 treatment rooms, four trauma bays equipped with operating-room-quality lighting and medical gas delivery systems that drop from the ceiling, a family grief room, 16 acute care rooms, two CT scanners, and a greatly expanded waiting room.
- ❖ The Vanderbilt School of Medicine advanced to 15th place among 125 medical schools for funding from the National Institutes of Health. With the fastest growing academic medical research program in the nation, Vanderbilt's departments ranked in the top 10 in molecular physiology and biophysics, cell and developmental biology/cancer biology, medicine, pharmacology, pediatrics, anesthesiology, biochemistry, and radiology.

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 6 – Form 990, Part III – Statement of Program Service Accomplishments - continued

- ❖ The Jim Ayers Institute for Pre-Cancer Detection and Diagnosis was established at the Vanderbilt-Ingram Cancer Center. In an effort to develop techniques for detecting cancers at their earliest, most curable stages, the institute's research will focus on proteomics – the study of the thousands upon thousands of proteins responsible for human health and disease.
- ❖ Construction began on The Commons, the first phase of College Halls at Vanderbilt, a residential college system designed to create the most vibrant living and learning environment in higher education. This project will bring together students, faculty and staff in smaller community settings within the larger campus. Select faculty will live in apartments located in the College Halls, and each College Hall will feature student-driven programming designed to promote intellectual exchange and leadership development. Along with a close-knit residential setting, areas for dining, study, and informal gathering will enhance the living-learning atmosphere at Vanderbilt.

STATEMENT 7 – Form 990, Part IV, Line 50 – Receivables from Officers, Directors, and Trustees

In accordance with the University's human resource policies, several officers have real estate loans secured by real estate and the employee's salary. Such loans are identified below.

Borrower's Name	Michael J. Schoenfeld	Nicholas S. Zeppos
Borrower's Title	Vice Chancellor - Public Affairs	Vice Chancellor - Academic Affairs
Original Amount	\$800,000	\$625,000
Interest Rate	5.6250%	6.1250%
Date of Note	9/1/2002	6/1/2002
Maturity Date	8/1/2012	5/1/2022
Repayment Terms	30-Year Amortization Due in 10 Years Monthly Prin. & Int. Payments	20-Year Amortization Due in 20 Years Monthly Prin. & Int. Payments
Security Provided by Borrower	Lien on property/salary	Lien on property/salary
Purpose of the Loan	Purchase of primary residence	Purchase of primary residence
Beginning Balance Due	\$779,281	\$588,044
Ending Balance Due	\$767,553	\$570,875

Total Beginning Receivables Due From Officers, Etc. \$1,367,325

Total Ending Receivables Due From Officers, Etc. \$1,338,428

STATEMENT 8 – Form 990, Part IV, Line 51 – Other Notes and Loans Receivable

Gross Student Loans Receivable	\$ 38,992,693
Less: Allowance for Doubtful Accounts	<u>\$ 3,875,532</u>
	<u>\$ 35,117,161</u>

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 9 – Form 990, Part IV, Line 54 – Investments – Securities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Short-Term Securities	\$ 129,178,753	\$ 277,301,091
Bonds	\$ 393,312,775	\$ 410,679,687
Securities	\$ 1,220,446,414	\$ 1,040,965,617
Partnership Investments	\$ 778,109,691	\$ 1,263,994,798
Real Estate, Net	\$ 148,493,015	\$ 156,283,464
Other	\$ 18,583,166	\$ 31,108,333
Totals	<u>\$ 2,688,123,814</u>	<u>\$ 3,180,332,990</u>

STATEMENT 10 – Form 990, Part IV, Line 56 – Investments – Other

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Interest in Trusts Held by Others	\$ 45,510,842	\$ 42,782,240
Mortgages	\$ 8,313,147	\$ 6,966,971
Totals	<u>\$ 53,823,989</u>	<u>\$ 49,749,211</u>

**STATEMENT 11 – Form 990, Part II, Line 42 – Depreciation, Depletion, etc. and
Form 990, Part IV, Line 57 – Land, Buildings and Equipment**

Land	\$ 48,384,612
Buildings and Improvements	\$ 1,692,707,111
Moveable Equipment	\$ 532,422,781
Construction in Progress	\$ 114,756,423
Total Fixed Assets	\$ 2,388,270,927
Less Accumulated Depreciation	<u>\$(1,023,093,731)</u>
Net Fixed Assets	<u>\$ 1,365,177,196</u>

Plant and equipment are stated at cost or estimated fair market value if acquired by gift, less accumulated depreciation, computed on a straight-line basis over the estimated useful lives of the building and equipment. Equipment is removed from the accounting records at the time of disposal. Depreciation expense for the fiscal year ended June 30, 2005 was \$104,902,631.

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 12 – Form 990, Part IV, Line 64a – Tax-Exempt Bond Liabilities

Tax-exempt bond liabilities consist of the following as of June 30, 2005

	<u>Years to Maturity</u>	<u>Effective Interest Rate</u>	<u>Outstanding Principal</u>
<u>Fixed-Rate Tax-Exempt Debt</u>			
1996 Series A	4	5 6%	\$ 4,265,000
1997 Series A	14	5 4%	\$ 24,870,000
1998 Series A	11	5 6%	\$ 21,145,000
1998 Series B	24	5 0%	\$ 35,075,000
1998 Series C	10	4 8%	\$ 19,370,000
2001 Series A	11	4 9%	\$ 14,700,000
2001 Series B	18	5 0%	\$ 56,010,000
2005 Series B	39	3 2%	<u>\$ 277,750,000</u>
Total Fixed-Rate Tax-Exempt Debt			<u>\$ 453,185,000</u>
HUD Bonds	4	3 0%	<u>\$ 660,000</u>
Unamortized Premium			<u>\$ 17,175,102</u>
<u>Variable-Rate Tax-Exempt Debt</u>			
2000 Series A	26	2 0%	\$ 63,200,000
2000 Series B	26	2 1%	\$ 63,200,000
2002 Series A	28	2 0%	\$ 21,730,000
2003 Series A	14	2.1%	\$ 38,040,000
2005 Series A	39	2 4%	<u>\$ 113,300,000</u>
Total Variable-Rate Long-Term Debt			<u>\$ 299,470,000</u>
Tax-Exempt Commercial Paper	< 1	2 4%	<u>\$ 5,500,000</u>
Total Tax-Exempt Bond Liabilities			<u><u>\$ 775,990,102</u></u>

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 13 – Form 990, Part IV, Line 64b – Mortgages and Other Notes Payable

Mortgages and other notes payable consist of the following as of June 30, 2005

	<u>Years to Maturity</u>	<u>Effective Interest Rate</u>	<u>Outstanding Principal</u>
Note Payable	4	7 3%	\$ 8,801,695
Other	14	3 0%	\$ 299,016
Capital Leases	4	3 5%	\$ 808,405
Total Mortgages and Other Notes Payable			<u>\$ 9,909,116</u>

STATEMENT 14 – Form 990, Part IV, Line 65 – Other Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Securities Lending Payable	\$ 254,844,250	\$ 324,756,789
Actuarial Liability of Annuities Payable	\$ 37,596,751	\$ 38,542,015
Government Advances for Student Loans	\$ 15,459,042	\$ 15,781,586
Actuarial Liability for Self-Insurance	<u>\$ 58,590,773</u>	<u>\$ 70,464,151</u>
Totals	<u>\$ 366,490,816</u>	<u>\$ 449,544,541</u>

STATEMENT 15 – Form 990, Part IV-A – Other Revenue On Books But Not on Return

<u>Description</u>	<u>Amount</u>
Financial Aid Expense	\$ (128,704,961)
Unrealized Gain on Contribution Receivable	\$ 5,864,713
Adjustment for Mark to Market Loss on Swap	\$ (40,933,987)
Rent Expense	<u>\$ 12,368,216</u>
Total	<u>\$ (151,406,019)</u>

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 16 – Form 990, Part V – List of Officers, Directors, Trustees and Key Employees

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation	(D) Contributions to Employee Benefit Plans and Deferred Compensation	(E) Expense A/C and Other Allowances
E Gordon Gee, J D , Ed D VU Station B, Box 356310, Nashville, TN 37235-6310 <i>Title: Chancellor</i> <i>See General Explanation of Columns C, D and E at Statement 17</i>	See Below 40	\$ 905,296	\$ 979,472	\$ 82,956
Harry R Jacobson, M D VU Station B, Box 356310, Nashville, TN 37235-6310 <i>Title: Vice-Chancellor for Health Affairs</i> <i>See General Explanation of Columns C, D and E at Statement 17</i>	See Below 40	\$ 1,159,466	\$ 1,861,297	\$ 37,522
William T Spitz, M B A VU Station B, Box 356310, Nashville, TN 37235-6310 <i>Title Vice-Chancellor for Investments and Treasurer</i> <i>See General Explanation of Columns C, D and E at Statement 17</i>	See Below 40	\$ 762,156	\$ 1,850,814	None
Michael J Schoenfeld, M S VU Station B, Box 356310, Nashville, TN 37235-6310 <i>Title Vice-Chancellor for Public Affairs</i> <i>See General Explanation of Columns C, D and E at Statement 17</i>	See Below 40	\$ 407,500	\$ 142,610	\$ 3,634
Lauren J Brisky, M B A VU Station B, Box 356310, Nashville, TN 37235-6310 <i>Title Vice-Chancellor for Administration and Chief Financial Officer</i> <i>See General Explanation of Columns C, D and E at Statement 17</i>	See Below 40	\$ 670,800	\$ 670,771	None
David Williams II, M.A , M.B.A., J D , LL.M VU Station B, Box 356310, Nashville, TN 37235-6310 <i>Title. Vice-Chancellor for Student Life and University Affairs, General Counsel, and Secretary of the University</i> <i>See General Explanation of Columns C, D and E at Statement 17</i>	See Below 40	\$ 638,550	\$ 377,962	\$ 7,408
Nicholas S Zeppos, J D VU Station B, Box 356310, Nashville, TN 37235-6310 <i>Title Provost and Vice-Chancellor for Academic Affairs</i> <i>See General Explanation of Columns C, D and E at Statement 17</i>	See Below 40	\$ 709,075	\$ 206,501	\$ 17,942
Martha R Ingram VU Station B, Box 356310, Nashville, TN 37235-6310	Chairman 1	None	None	None
Dennis C Bottorff VU Station B, Box 356310, Nashville, TN 37235-6310	Vice-Chairman 1	None	None	None

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 16 – Form 990, Part V – List of Officers, Directors, Trustees and Key Employees – cont.

<u>(A)</u> <u>Name and address</u>	<u>(B)</u> <u>Title and</u> <u>average hours</u> <u>per week</u> <u>devoted to</u> <u>position</u>	<u>(C)</u> <u>Compensation</u>	<u>(D)</u> <u>Contributions to</u> <u>Employee</u> <u>Benefit Plans</u> <u>and Deferred</u> <u>Compensation</u>	<u>(E)</u> <u>Expense A/C</u> <u>and Other</u> <u>Allowances</u>
Darryl D. Berger VU Station B, Box 356310, Nashville, TN 37235-6310	Vice-Chairman 1	None	None	None
William W. Bain, Jr. VU Station B, Box 356310, Nashville, TN 37235-6310	Secretary 1	None	None	None
Mary Beth Adderley VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Michael L. Ainslie VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Camilla D. Bergeron VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Monroe J. Carell, Jr. VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Sheryll D. Cashin VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Carne A. Colvin VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Thomas F. Cone VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Cecil D. Conlee VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Mark F. Dalton VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
William W. Featheringill VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Ron D. Ford VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
John R. Hall VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 16 – Form 990, Part V – List of Officers, Directors, Trustees and Key Employees – cont.

(A) <u>Name and address</u>	(B) Title and average hours per week devoted to <u>position</u>	(C) <u>Compensation</u>	(D) Contributions to Employee Benefit Plans and Deferred <u>Compensation</u>	(E) Expense A/C and Other <u>Allowances</u>
L Hall Hardaway, Jr VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
H Rodes Hart VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Joanne F Hayes VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
John R Ingram VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Orrin H Ingram VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
J Hicks Lanier VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Rev Edward A Malloy, C S C VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Jackson W Moore VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
James H. Morgan VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Nancy P Mulford VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Ibrahim Nasmyth VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Edward G. Nelson VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Frederick B Rentschler VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Catherine B Reynolds VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 16 – Form 990, Part V – List of Officers, Directors, Trustees and Key Employees – cont.

<u>(A)</u> <u>Name and address</u>	<u>(B)</u> <u>Title and</u> <u>average hours</u> <u>per week</u> <u>devoted to</u> <u>position</u>	<u>(C)</u> <u>Compensation</u>	<u>(D)</u> <u>Contributions to</u> <u>Employee</u> <u>Benefit Plans</u> <u>and Deferred</u> <u>Compensation</u>	<u>(E)</u> <u>Expense A/C</u> <u>and Other</u> <u>Allowances</u>
Kenneth L. Roberts VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Joe L. Roby VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Eugene B. Shanks, Jr VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Marissa N. Shrum VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Richard H. Sinkfield VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Heather M. Souder VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Cal Turner VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Eugene H. Vaughan VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Levi Watkins, Jr., M.D. VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Dudley B. White VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
W. Ridley Wills II VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
J. Lawrence Wilson VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
Rebecca W. Wilson VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None
William M. Wilson VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee 1	None	None	None

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 16 – Form 990, Part V – List of Officers, Directors, Trustees and Key Employees – cont.

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation	(D) Contributions to Employee Benefit Plans and Deferred Compensation	(E) Expense A/C and Other Allowances
Nelson C Andrews VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
Andrew B Benedict, Jr VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
Lewis M Branscomb VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
Miriam M Cowden VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
Brownlee O Currey, Jr VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
Frank A Godchaux III VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
Delbert Mann VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
Alyne Q Massey VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
Judson G Randolph, M D VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
John W Rich VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
Thomas B Walker, Jr VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
James A Webb, Jr. VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
David K Wilson VU Station B, Box 356310, Nashville, TN 37235-6310	Trustee Emeriti 1	None	None	None
		\$ 5,252,843	\$ 6,089,427	\$ 149,462

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 17 – Supplemental Compensation and Benefits Information

Form 990, Part V – Officers, Directors, Trustees, and Key Employees (See Statement 16), and
Schedule A, Part I – Compensation of the Five Highest Paid Employees Other Than Officers, Directors, etc. (See Statement 21)

Column C – Compensation

The amounts reported in Form 990, Part V and Schedule A, Part I, Column C, "Compensation" include base salary, bonuses, incentive compensation, deferred compensation payouts, and other miscellaneous compensation

Column D – Contributions to Employee Benefit Plans & Deferred Compensation Plans

The amount reported in Form 990, Part V and Schedule A, Part I, Column D "Contributions to Employee Benefit Plans and Deferred Compensation Plans" includes health insurance premiums, life insurance premiums, retirement matching contributions, deferred compensation, and various other benefits, both vested and non-vested. In addition, the amount reported in Form 990, Part V, Column D includes the University's supplemental executive retirement plan. This plan is an "ineligible deferred compensation plan" within the meaning of Section 457(f) of the Internal Revenue Code of 1986. As of June 30, 2005, none of the participants have vested benefits under the plan.

Column E – Expense Account and Other Allowances

The amounts reported in Form 990, Part V and Schedule A, Part I, Column E, "Expense Account and Other Allowances" include certain taxable and non-taxable fringe benefits, such as personal use of automobiles and other personal services. The amount in Form 990, Part V for Chancellor E. Gordon Gee also includes the value of the personal use portion of the Chancellor's residence.

STATEMENT 18 – Form 990, Part VII, Line 93a – Program Service Revenue

<u>Description</u>	<u>Business Code</u>	<u>Amount</u>	<u>Exclusion Code</u>	<u>Amount</u>	<u>Related or Exempt Function Income</u>
Tuition and Fees		\$ -		\$ -	\$ 294,358,810
Room and Board		\$ -		\$ -	\$ 44,376,334
Auxiliary Enterprises				\$ -	\$ 20,658,313
Other Publishers	511190	\$ 16,048			
Caterers	722320	\$ 33,169			
Rental and Leasing Services	532000	\$ 412,516			
Health Care Services				\$ -	\$ 1,376,250,746
Medical and Diagnostic Labs	621500	\$ 5,204,446			
Offices of Other Health Practitioners	621300	\$ 438,180			
Fitness Centers	713940	\$ 70,509			
Medical Supply Manufacturing	339110	\$ 2,200,803			
Program Income		\$ -		\$ -	\$ 1,748,628
Cost Recovery – Research		\$ -		\$ -	\$ 92,891,629
Totals		<u>\$ 8,375,671</u>		<u>\$ -</u>	<u>\$ 1,830,284,460</u>

STATEMENT 19 – Form 990, Part VII, Line 103a – Other Revenue

<u>Description</u>	<u>Business Code</u>	<u>Amount</u>	<u>Exclusion Code</u>	<u>Amount</u>	<u>Related or Exempt Function Income</u>
Patents/Royalties		\$ -	15	\$ 3,026,211	\$ -
Medical Center Other Revenues		\$ -		\$ -	\$ 1,856,014
Medical/Nursing School		\$ -		\$ -	\$ 5,437,029
Professional & Technical Services				\$ -	\$ 1,107,005
Custom Computer Programming	541511	\$ 170,000			
Educational Sales/Services		\$ -		\$ -	\$ 4,860,677
University Other Revenues				\$ -	\$ 2,911,472
Directory Publishers	511140	\$ 6,000			
University Services		\$ -		\$ -	\$ 1,448,654
Totals		<u>\$ 176,000</u>		<u>\$ 3,026,211</u>	<u>\$ 17,620,851</u>

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 20 – Form 990, Part IX – Information Regarding Taxable Subsidiaries and Disregarded Entities

<u>Name and Address</u> <u>Employer Identification Number</u>	<u>Percentage</u> <u>Ownership</u> <u>Interest</u>	<u>Nature of</u> <u>Business</u> <u>Activities</u>	<u>Total</u> <u>Income</u>	<u>Ending</u> <u>Assets</u>
Legend International USA, Inc 1500 Legends Club Lane Franklin, TN 37069 62-1429615	100 0000%	Golf Activity	\$ 12,722	\$ 2,609,733
ZTIPS, Inc 2100 West End Avenue, Suite 750 Nashville, TN 37203 62-1865562	100 0000%	Invest Holding	\$ 34	\$ 595
Vanderbilt-Williamson Cancer Center, LLC 2107 Edward Curd Lane Franklin, TN 37067 62-1864145	100 0000%	Healthcare	\$ 3,977,328	\$ 4,929,838
Vanderbilt Cardiology Services, LLC 4230 Harding Road, Suite 900 Nashville, TN 37205 62-1749420	50 0000%	Lab Facility	\$ Zero	\$ 2,574
VUCH Donation, LLC 2100 West End Ave , Suite 750 Nashville, TN 37203	100 0000%	Holding Co	\$ 29,700	\$ 1
Manner Commodore Fund, Ltd. Georgetown Grand Cayman, Cayman Islands	100.0000%	Investments	\$ 3,241,255	\$ 49,322,608
Stinson Capital Partners II, LP 909 Montgomery Street, Suite 400 San Francisco, CA 94133 94-3264850	95 6842%	Investments	\$19,961,783	\$143,663,711
Alternative Fixed Income Fund 1250 E Hallendale Beach Blvd Suite 406 Hallendale, FL 33009 65-0769632	97 3551%	Investments	\$ 3,545,474	\$ 13,285,085
			<u>\$30,768,296</u>	<u>\$213,814,145</u>

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 21 – Schedule A, Part I – Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation	(D) Contributions to Employee Benefit Plans and Deferred Compensation	(E) Expense A/C and Other Allowances
Kevin E Stallings VU Station B, Box 356310, Nashville, TN 37235-6310 Title Head Men's Basketball Coach See General Explanation of Columns C, D and E at Statement 17	See Below 40	\$ 1,304,316	\$ 30,938	\$ 35,327
Joseph A Smith, M D VU Station B, Box 356310, Nashville, TN 37235-6310 Title Professor and Chairman, Urology Department See General Explanation of Columns C, D and E at Statement 17	See Below 40	\$ 1,113,912	\$ 33,295	None
Lloyd G King, M D VU Station B, Box 356310, Nashville, TN 37235-6310 Title Associate Professor Clinical Gastroenterology See General Explanation of Columns C, D and E at Statement 17	See Below 40	\$ 972,923	\$ 27,646	\$ 100
John W Brock III, M D. VU Station B, Box 356310, Nashville, TN 37235-6310 Title Professor Urologic Surgery, Director Pediatric Urology, Surgeon-in-Chief, Monroe Carell Jr Children's Hospital See General Explanation of Columns C, D and E at Statement 17	See Below 40	\$ 844,773	\$ 28,213	None
Robert A Johnson VU Station B, Box 356310, Nashville, TN 37235-6310 Title Head Football Coach See General Explanation of Columns C, D and E at Statement 17	See Below 40	\$ 805,433	\$ 29,867	\$ 43,635
TOTALS		\$ 5,041,357	\$ 149,959	\$ 79,062

STATEMENT 22 – Form 990, Sch. A, Part III, Line 2c – Furnishing of Goods, Services, or Facilities

- 1 The University provides housing and household assistance to the Chancellor as a condition of employment. The value of these benefits is reported in Form 990, Part V, Column E (Expense Account and Other Allowances)
- 2 The University provides automobiles and club memberships for University business purposes for several of the general officers, with personal use reported as a taxable fringe benefit in their respective Form W-2's. The value of these benefits is reported in Form 990, Part V, Column E (Expense Account and Other Allowances).
- 3 Several Vanderbilt University general officers and Board of Trust members are directors for, or employees of, companies with which the University has contractual relationships. Such relationships involve the purchase goods and certain services, including medical equipment and supplies, recruiting services, dialysis clinic management, parking management, banking, and investment services. All transactions between affected individuals and the University are undertaken at arms length. Pursuant to the University's conflict of interest policies, these arrangements are subject to review by the University's Conflict's Compliance Officer, the Office of General Counsel, and potential review by the Board of Trust Audit Committee.

VANDERBILT UNIVERSITY (EIN: 62-0476822)
TAX YEAR 2004 (FISCAL YEAR JUNE 30, 2005)

STATEMENT 23 – Form 990, Sch. A, Part III, Line 3a – Grants for Scholarships, Fellowships, Student Loans, Etc.

Generally, scholarships and fellowships are awarded to Vanderbilt University students by independent committees based on need, academic ability, or other criteria as required under the scholarship or fellowship program

STATEMENT 24 – Form 990, Sch. A, Part V, Line 31 – Publication of Racially Nondiscriminatory Policy

The University's nondiscrimination policy, as adopted by the Executive Committee of the Board of Trustees, is widely disseminated to prospective students through publications in catalogues, application materials, handbooks, etc. Copies will be made available on request. In compliance with federal law, including the provisions of Title IX of Education Amendments of 1972, Section 503 of the Rehabilitation Act of 1973, and the Americans With Disabilities Act of 1990, Vanderbilt University does not discriminate on the basis of race, sex, religion, color, national or ethnic origin, age, disability or military service in its administration of educational policies, programs, or activities, its admissions policies, scholarship and loan programs; athletic and other university-administered programs, or employment

STATEMENT 25 – Form 990, Sch. A, Part V, Line 34a – Financial Aid From Government Agencies

The University receives Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, Federal Stafford Loans, Unsubsidized Federal Stafford Loans, Federal Perkins Loans, Federal Work-Study Funding, Federal Parent (PLUS) Loans, Tennessee Student Assistance Awards, and Tennessee Education Lottery Scholarship Program Funds. The University also receives various Federal grants and contracts for academic and scientific research.

STATEMENT 26 – Schedule A, Part VII, Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

<u>Line No</u>	<u>Amount Involved</u>	<u>Name of Noncharitable Exempt Organization</u>	<u>Description of Transfers, Transactions, and Sharing Arrangements</u>
b(iii)	191,240	V U Real Estate Holdings, Inc (VUREH)	Vanderbilt University pays rent to VUREH.
b(iv)	226,620	V U Real Estate Holdings, Inc (VUREH)	VUREH reimburses Vanderbilt University for property taxes, insurance, and other expenses.
b(v)	7,961,275	V U Real Estate Holdings, Inc (VUREH)	VUREH has outstanding loan balances due to Vanderbilt University to purchase investment property. Principal and interest payments totaling \$730,549 were paid to Vanderbilt University during the fiscal year ending June 30, 2005.
c	1	V.U Real Estate Holdings, Inc (VUREH)	Vanderbilt University provides a nominal amount of office space and personnel to support the activities of VUREH.
b(iv)	57,721	Various Fraternities and Sororities	Fraternities and sororities reimburse Vanderbilt University for property taxes and insurance.
b(v)	1,738,641	Various Fraternities and Sororities	Fraternities and sororities have outstanding loan balances due to Vanderbilt University for certain housing safety improvements and other. Principal and interest payments totaling \$162,743 were paid to Vanderbilt during the fiscal year ending June 30, 2005.
b(iii)	38,911	Various Fraternities and Sororities	Fraternities and sororities pay Vanderbilt University land rent.



Code of Bylaws of the Vanderbilt University

I WISH to call the attention of our Board to the propriety of revising our Bylaws. Of nothing am I more fully persuaded than of the evil consequences of retaining in the code a Law which you dare not enforce

*--Chancellor Garland
in his report to the
Board, 1890*

Chapter I. Board of Trust

- A. [Membership and Procedures of the Board of Trust](#)
- B. [Officers of the Board of Trust](#)
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Chapter II. Immediate Government of the University

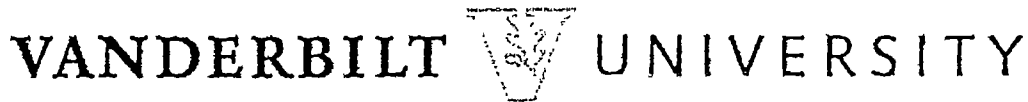
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BOARD OF TRUST HOME

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A. Membership and Procedures of the Board of Trust

1. The general government of The Vanderbilt University is vested in its Board of Trust. [1998]
2. The Board shall elect the Chancellor of the University, who shall serve at the pleasure of the Board. [1998]
3. The Board shall consist of a maximum of 46 regular members, one of whom shall be the Chancellor, and such additional members as may be elected to serve as Trustees Emeriti. [2001]

No compensated member of the faculty nor of the staff of the University, other than the Chancellor, shall be a member of the Board. [1998]

4. Except as otherwise specified herein, election to membership on the Board shall be for a term of five years. The Chancellor and members serving on the Board as of the Annual (Spring) Meeting of 1998 excepted, members shall serve for no more than two consecutive terms, except as may be otherwise provided herein. After completing two consecutive terms, a former member may not serve on the Board for one year. Re-election to the Board shall be in accordance with the procedures set forth in Chapter I, Paragraph 5. [2001]
5. Election to membership on the Board shall be in accordance with the following procedure:
 - a. Individuals shall be elected by majority vote of all members present and voting at a regular meeting of the Board. Nominations for election to vacancies regularly arising shall be presented to the Board at the Annual (Spring) Meeting, and from time to time to fill vacancies caused by resignation or other reason, by the Board Affairs Committee. Terms for all members, except the Young Alumni member elected pursuant to Paragraph 5(d), shall begin immediately upon the adjournment of the meeting at which the member was elected. The term for the Young Alumni member shall begin immediately upon that member's graduation from the University. Terms for all members shall end at the conclusion of the annual Spring meeting. [2001]
 - b. Whenever a vacancy shall occur on the Board, the Chancellor shall notify all members of the Board to that effect, inviting them to suggest names for membership on the Board. The Board Affairs Committee shall not consider any names until ample time shall have been given for members of the Board to make recommendations. [1998]
 - c. In order to forward the knowledge of the alumni concerning the University and their participation in its activities and service, the Alumni Association of Vanderbilt University shall be asked to nominate for election to the Board every even year the current President of the Alumni Association. The nomination for the alumni member shall be presented to the Board Affairs Committee, and if approved will be transmitted to the Board for election with all the rights and privileges of regular members. Effective as of the Annual (Spring) Meeting of

2004, each alumni member shall serve for a maximum of one four-year term [2004]

- d. In order to forward the knowledge of young alumni concerning the University and their participation in its activities and service, and to bring the viewpoints of recent students to the deliberations of the Board, the Alumni Association of Vanderbilt University shall be asked to nominate each year one individual from the undergraduate class that is to be graduated that year for election to the Board. In determining this nominee, the Alumni Association is asked to hold an election in which members of the class to be graduated and of the next preceding class and next succeeding class vote, choosing one nominee from among three persons proposed by a committee appointed by the President of the Alumni Association, which committee shall include members from the next preceding class and next succeeding class. The name shall be presented to the Board Affairs Committee, and if approved will be transmitted to the Board for election as the young alumni member with all the rights and privileges of regular members. No person who is registered as a student in any school of Vanderbilt will be eligible to serve as a member of the Board. Effective as of the Annual (Spring) Meeting of 2003, young alumni members shall be elected for a maximum of one four-year term; thereafter, they shall be ineligible for re-election as members until after nine years from first election. [2003]
- e. The Chancellor and members serving on the Board as of the Annual (Spring) Meeting of 1998 excepted, members shall retire from active membership upon attaining the age of 70, effective as of the succeeding Annual (Spring) Meeting. Members serving on the Board as of the Annual (Spring) Meeting of 1998 shall retire from active membership upon attaining the age of 75, effective as of the succeeding Annual (Spring) Meeting. [1998]
- f. A member serving on the Board who has completed two full five-year terms, who is ineligible for continued service because of term limits or age, may be elected by the Board as a Trustee Emeritus upon the recommendation of the Board Affairs Committee. Trustees Emeriti shall not be entitled to vote on matters before the Board. [2003]
- g. No individual who has attained the age of 68, without previous service on the Board, shall be eligible for election to membership on the Board except by unanimous vote of the Board. [1998]
6. The Board may remove a member with or without cause. Removal of a member with cause shall require a majority vote of all members present and voting at any regular meeting or meeting called by the Chairman of the Board. Removal of a member without cause shall require a vote of at least two-thirds of the Board members then in office. [1998]
7. A majority of the voting members of the Board shall constitute a quorum for the transaction of business. [1998]
8. The Annual (Spring) Meeting of the Board shall take place at a date convenient to the membership in the final semester or term of the academic year. A second meeting shall be held in the first semester or term of the academic year unless waived by action of the Executive Committee. Additional meetings may be called by the Chairman of the Board as may be needed. [1998]
9. Participation at any meeting of the Board or of its Committees may be by any means of communication pursuant to which all members participating may simultaneously hear each other. A member participating in a meeting by this means is deemed to be present in person at the meeting. Effective as of the Annual (Spring) meeting of 2003, only regular members of the Board will attend and participate at Board meetings.[2001]

10. Action required or permitted to be taken at a meeting of the Board or its Committees may be taken without a meeting if all the members of the Board or Committee consent to take action without a meeting. The affirmative vote of the number of Board or Committee members that would be necessary to authorize or take action at a meeting shall be necessary to constitute an act of the Board or Committee without a meeting. The action must be evidenced by one or more written consents describing the action taken and signed by each member of the Board or Committee, which consent shall be included in the minutes reflecting the action taken. Action taken by written consent is effective when the last Board or Committee member signs the consent, unless the consent specifies a different effective date. [1998]
11. The University may indemnify an individual made a party to a proceeding because such individual is or was a member of the Board against liability incurred in the proceeding in accordance with the procedures set forth in the Tennessee Nonprofit Corporations Act. [1998]
12. The Board shall adopt a policy requiring disclosure of any transaction with the University in which a member of the Board or officer of the University has a direct or indirect interest. The Board may impose such additional requirements relating to conflicts of interest as it deems appropriate. [1998]
13. Policies for the guidance of the University administration shall, to the extent feasible, be adopted by the Board in writing. [1998]

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VANDERBILT UNIVERSITY

[BOARD OF TRUST HOME](#)

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B. Officers of the Board of Trust

1. The officers of the Board of Trust shall be the Chairman, two Vice-Chairmen, and a Secretary. [1998]
 - a. The Chairman shall preside at all meetings of the Board, and, when present, at the meetings of the Executive Committee; shall approve the dates of all meetings of the Board, and shall have authority to call special meetings. The Chairman shall exercise general supervision over the work of the Board and perform other duties appropriate to the office. [1998]
 - b. The Chancellor shall prepare the agenda, subject to approval of the Chairman, for meetings of the Board and of the Executive Committee, and, as the Chairman's deputy, shall assist in the general supervision of the work of the Board. [1998]
 - c. The Vice-Chairmen shall, in the order of their seniority in office, preside over the Board in the absence of the Chairman and shall perform other duties as may be assigned by the Chairman or requested by the Board. [1998]
 - d. The Secretary shall be responsible for the preservation of a full and accurate record of the meetings of the Board. The Secretary may be assisted in the performance of the Secretary's duties by one or more members of the administration of the University. [1998]
2. The officers of the Board elected as of the Annual (Spring) meeting of 1999 shall serve for a period of two years or for the unexpired portion of a term and shall be subject to re-election, except that they shall serve no more than three consecutive terms in addition to any unexpired portion of a term in any one position. All voting for officers shall be on nominations made by the Board of Affairs Committee, and shall require a two-thirds vote of the members present for election. [1998] Officers beginning an initial term as of the Annual (Spring) Meeting of 2003 and thereafter, shall serve for a three-year term, with a maximum of two terms in any one position. [2001] Notwithstanding the provisions of Chapter I (A) (4), a member serving as an officer at the expiration of said term as a member may be re-elected as a regular member in order to complete the maximum term of service as an officer [2003]
3. The Board may remove an officer of the Board with or without cause upon a majority vote of the members present and voting at any regular meeting or meeting called by the Chairman of the Board. [1998]

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C. Committees of the Board of Trust

1. There shall be the following standing committees of the Board of Trust, together with such other standing and ad hoc committees as the Board may create from time to time. The following committees shall be the advisory committees: Academic Programs, Athletics, Building and Grounds, Medical Center Board and the Medical Center Board Executive Committee, Public and Government Relations, and Student Life. The following committees shall be the action committees: Audit, Board Affairs, Budget, Executive, Compensation, and Investment. [2005]

Effective as of the Annual (Spring) Meeting of 2003, all advisory committee members shall serve renewable three-year terms. All advisory committee chairs shall serve for a maximum of three consecutive one-year terms and shall be ineligible for re-election for one year. All action committee members shall serve staggered terms for a maximum of two consecutive three-year terms and shall be ineligible for re-election for one year. All action committee chairs shall serve for a maximum of three consecutive one-year terms and shall be ineligible for re-election for one year. A member serving as chair at the expiration of the sixth consecutive year of committee membership may be re-elected in order to complete three one-year terms as chair.

Notwithstanding the foregoing, committee members' terms shall cease when their terms as a Board member ends

A majority of the voting members of a committee shall constitute a quorum for the transaction of business. [2002]

2. The Academic Programs Committee shall be composed of the Chancellor and at least five additional members of the Board. The Chairman of the Board shall appoint the chair of the Committee. The Committee shall meet semi-annually in conjunction with Board of Trust meetings.

It shall facilitate interactions between the Board and members of the faculty, including the Faculty Senate, hear reports regarding the academic programs of the University, and assist in the enhancement of the quality of the academic programs. The Committee shall be advisory to the Board of Trust and the Chancellor and shall report on its activities at the semi-annual meetings of the Board. [1998]

3. The Athletics Committee shall be composed of the Chancellor and at least five additional members of the Board. The Chairman of the Board shall appoint the chair of the Committee. The Committee shall meet semi-annually, in conjunction with the Board of Trust meetings [2001]

It shall review the operation of the athletic programs of the University, and shall assist with public relations and fund-raising in support of those programs. The Committee shall be advisory to the Board of Trust and the Chancellor and shall report on its activities at the semi-annual meetings of the Board. [1998]

4. The Audit Committee shall be elected by the Board of Trust and shall be composed of six members of the Board who are not employed by the University. The Chairman of the Board shall appoint the chair of the Committee. The terms of the members shall be staggered. The Audit Committee shall be composed of the chair of the Budget Committee and five additional members. The chair of the Budget Committee shall serve as a non-voting member. Effective as of the Annual (Spring) Meeting of 2003, the five additional members shall serve for a maximum of two consecutive three-year terms, and shall be ineligible for re-election for one year. The chair of the Committee shall serve for a maximum of three consecutive one-year terms and shall be ineligible for re-election for one year. A member serving as chair at the expiration of the sixth consecutive year of committee membership may be re-elected for up to two additional years in order to complete three one-year terms as chair.

Audit Committee members should be independent of management and without business relationships that could interfere with the members' exercise of good judgment. Officers, employees or employees' families will be considered independent after three years of separation from employment. University management should not be represented on the compensation committee of Committee members' employers. A majority of the Audit Committee members should be "financially literate," as defined by the National Association of Securities Dealers and American Stock Exchange, as able to read and understand fundamental financial statements. At least one member should be an "audit committee financial expert" as defined by the Securities and Exchange Commission.

The Audit Committee shall normally meet semi-annually. More frequent meetings may occur, as circumstances require. The Committee shall report on its activities and make recommendations, as appropriate, to the Board of Trust. The Committee's role is one of oversight and it serves as the Board of Trust's overall guardian of financial integrity. The Committee has the authority and necessary funding to engage independent counsel and other advisers, as it determines necessary to carry out its duties. The following shall be the recurring processes of the Audit Committee in carrying out its responsibilities. The processes are set forth as a guide with the understanding that the committee may modify or supplement them as appropriate.

EXTERNAL AUDIT PROCESSES

The Committee shall:

- Exercise direct responsibility for appointing, compensating and overseeing the external auditors. At least annually, the Audit Committee will report its assessment of the external auditors to the full Board. Special consideration will be given to periodic audit firm and audit partner rotation.

Use of the external audit firm will be limited to the annual financial statement audit, Circular A-133 audit, NCAA agreed-upon procedures, affiliated entity financial statement audits, and tax return preparation. In the event of extenuating circumstances, any other use of the external audit firm with fees exceeding \$25,000 will require Audit Committee pre-approval. The Committee may elect to delegate pre-approval responsibilities to one or more of its independent members.

- Discuss with the external auditors the overall audit plan and the qualifications of the assigned staff.
- Review the management letter, the annual financial statements and schedule of unadjusted differences and determine whether the statements are consistent with the information known to Committee members.

- Review management representation letter signed by Chancellor and CFO
- Review significant accounting and reporting policies and practices, including recent professional and regulatory pronouncements, and understand their impact on the University's financial statements.
- Discuss with the external auditor all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of alternative disclosures and treatments and the treatment preferred by the external auditors.
- Obtain the external auditor's judgment about quality, not just acceptability, of accounting principles, the reasonableness of significant judgments and the clarity of the financial statement disclosures
- Discuss independence issues with the external auditors and obtain a written statement from the external auditors delineating all relationships between the auditors and the University.

INTERNAL AUDIT PROCESSES

The Committee shall:

- Review reports of Internal Audit activities and management's follow-up actions, including follow-up on accounting, internal accounting control or auditing complaints received via hotline or other reporting mechanism, and assess the effectiveness of the internal audit function.
- Discuss with the internal auditors the overall audit plan for the year and the staff's qualifications.
- Review the appointment and replacement of the Director of Internal Audit.

COMPLIANCE

The Committee shall:

- Review the results of significant regulatory audits and management's follow up actions
- Review reports of the University's compliance efforts, including education, development of policies and standards of conduct, results of internal reviews, and summaries of the University's responses to possible misconduct allegations received through the University hotline or other reporting system
- Review the adequacy of the University's conflict of interest policies and monitor management's oversight of compliance with those policies by members of the Board of Trust and General Officers.

COMMITTEE PROCESSES

The Committee shall:

- Discuss with management, the external auditors, and internal auditors the adequacy and effectiveness of the accounting and financial controls, and the processes for monitoring compliance with laws and regulations.
- Coordinate with the Compensation Committee regarding incentive program provision for reimbursement of incentive compensation in the event of an accounting restatement. [2005]
- Verify compliance with a one year waiting period for any member of the external audit team seeking either the CFO or Controller position within one year of participating in a Vanderbilt audit.
- Meet with the external auditors, the internal auditors and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately.

- o Annually evaluate the sufficiency of the Audit Committee Charter [2004]

5. The Board Affairs Committee shall be composed of the Chairman of the Board, the Chancellor of the University; the senior alumni member elected under Chapter I, Paragraph 6, Subparagraph c, with the longer term of service on the Board; and at least six additional members of the Board, one of whom shall be appointed Chair by the Chairman of the Board. [2005]

The Committee shall present nominations for membership of the Board, for officers of the Board, and for membership of the standing committees of the Board. The Committee shall periodically review the By-Laws and any proposed changes to the By-Laws. In accordance with Chapter III (Amendments), the Board Affairs Committee shall make recommendations to the Board regarding any proposed amendment. The Committee may also make recommendations on any other matters relating to board affairs and the operations of the Board [2002]

6. The Budget Committee shall be composed of the Chairman of the Board, the Chancellor, the Chairman of the Audit Committee, the Chairman of the Investment Committee, the Chairman of the Medical Center Board, the senior young alumni member elected to the Board under the provisions of Chapter I, Paragraph 6, Subparagraph d, with the longer term of service, and the senior alumni member elected under Chapter I, Paragraph 6, Subparagraph c, with the longer term of service, and at least six additional members of the Board. One of the six additional members shall be appointed chair by the Chairman of the Board. The Committee shall meet at least semi-annually. [2003]

It shall make recommendations to the Board concerning the annual University Budget and long-range policies governing University expenditures and other financial obligations. [1999]

7. The Buildings and Grounds Committee shall be composed of the Chancellor and at least five additional members of the Board. The Chairman of the Board shall appoint the Chair of the Committee. The Committee shall meet semi-annually in conjunction with Board of Trust meetings. [2003]

The Committee shall hear reports on campus maintenance, facility planning, and construction and shall assist in the enhancement of the quality of the physical infrastructure and natural environment of the University. It shall be advisory to the Board and the Chancellor and shall report on its activities at the semi-annual meetings of the Board. [1999]

8. The Executive Committee shall be composed of the Chairman of the Board, who shall serve as chair; the Vice-Chairmen of the Board; the Secretary of the Board; the Chancellor, who shall serve as Secretary, the chairman of the Budget Committee, the chairman of the Human Resources Committee; the chairman of the Investment Committee, the chairman of the Medical Center Board; the chairman of any special University-wide fund raising campaign; the senior young alumni member elected to the Board under the provisions of Chapter I, Paragraph 6, Subparagraph d, with the longer term of service, the senior alumni member elected under Chapter I, Paragraph 6, Subparagraph c, with the longer term of service, and up to eight additional members of the Board. At least two of the members of the Executive Committee shall reside outside of Nashville. [2003]

The Executive Committee shall be empowered to act upon all questions and transact business of every kind when the Board is not in session, and its action shall be final provided it shall be without authority to alter, modify, or rescind any affirmative action or policy taken or approved by the Board. All actions taken by the Committee shall be reported to the Board at its next regular meeting, or through the distribution of minutes of Executive Committee meetings. [1999]

9. The Compensation Committee shall be composed of the Chairman of the Board and at least seven other members. The Chancellor shall not serve on the Committee. The Chairman of the Board shall appoint one of the members to serve as Chair of the Committee. [2005]

The Committee shall meet at least annually to determine the compensation, including fringe benefits and other forms of remuneration, of the Chancellor and the General Officers of the University, including all Vice-Chancellors, the Treasurer, and the Provost. In addition, it shall review succession planning for the Chancellor and other General Officers and such other issues relating to human resources, including the compensation of any other officers or individuals, as the Chancellor may bring before the Committee. In making determinations regarding compensation, the Committee shall obtain and rely upon appropriate data, document its decisions, and in all other ways comply with applicable provisions of the Internal Revenue Code. [2002]

10. The Investment Committee shall be composed of the Chairman of the Board, the Chancellor, at least three additional members of the Board, and at least three individuals not members of the Board who are chosen for their investment expertise. The Chairman of the Board shall appoint one of the additional members of the Board to serve as chair. The Treasurer shall serve as Secretary of the Investment Committee. The Committee shall meet at least quarterly. [2002]

Effective as of the Annual (Spring) Meeting of 2003, the non-Board members shall serve renewable three-year terms. The Committee shall be responsible, within any policies and subject to any specific instructions of the Board, for the management, investment and custody of the University's endowment assets, and of assets functioning as endowment, and for the investment of the assets of charitable remainder and other trusts where the University is named trustee. The Committee may delegate management and investment authority to the Treasurer of the University, provided that delegation is in writing, that the Committee receive and review regular reports from the Treasurer, and that the Committee review the level of delegation and the policies and procedures of the Treasurer on at least an annual basis. The Chancellor, and those acting on his authority, shall be responsible, within any policies and subject to any specific instructions of the Board, for the other assets of the University. [2001]

11. The Medical Center Board shall be composed of the Chairman of the Board, the Chancellor, the Vice Chancellor for Health Affairs, at least twelve other members of the Board, and up to fifteen members of the Nashville community at large. The Chairman of the Board shall appoint the Chairman of the Medical Center Board, who shall be a member of the Board of Trust. The Medical Center Board shall meet at least quarterly in conjunction with Board of Trust meetings and the Executive Committee meetings.

The Medical Center Board shall assist the Vanderbilt University Medical Center in developing a medical center of the highest quality and in generating community support. It shall review and encourage the efficient management of the Medical Center, exercise careful scrutiny of the financial affairs of the Medical Center, assist in Medical Center relations with state and local government and the local medical profession, and inform and advise the Board and the Chancellor about Medical Center affairs generally. It shall make recommendations for appropriations for renovations, construction projects, equipment purchases, and expenditures, and hear budget reports relative to the Medical Center. It shall report on its activities at the semi-annual meetings of the Board of Trust and at Executive Committee meetings.

The Medical Center Board Executive Committee shall be composed of individuals on the Medical Center Board who are members of the Board of Trust. The Chairman of the Medical Center Board shall be chair of the

Committee. The Executive Committee will meet at least quarterly. [2004]

The Executive Committee assists the Medical Center in complying with the standards of the Joint Commission on Accreditation of Healthcare Organizations relating to the delivery of high quality patient care. The Committee is charged with (i) approving by-laws of the hospital medical staff, (ii) approving medical staff appointments, terminations, and curtailments of clinical privileges, and (iii) participating in corrective actions for medical staff. It also receives reports and recommendations from standing and special committees of the Hospital and Clinic and the Medical Center Medical Board, as well as from the Chief Executive Officer and Executive Director of the Vanderbilt University Hospital, the Vice-Chancellor for Health Affairs, and the Chancellor. The Committee shall report to the Board on matters of Hospital and Clinic governance and operations at the semi-annual meetings of the Board, and at Executive Committee meetings [1999]

12. The Public and Government Relations Committee shall be composed of the Chairman of the Board, the Chancellor, and at least five additional members of the Board of Trust. The Chairman of the Board shall appoint the chair of the Committee. The Committee shall meet semi-annually, in conjunction with the Board of Trust meetings, and on an as-needed basis. [2003]

It shall review the University's overall activities regarding communications with external audiences, both local and national, and relations with federal, state, and local governmental bodies. It shall advise the Board and the Chancellor on overall priorities and assist in evaluating the results of public and government relations initiatives. The Committee shall report on its activities at the semi-annual meetings of the Board [1998]

13. The Student Life Committee shall be composed of the Chancellor and at least five additional members of the Board. The Chairman of the Board shall appoint the chair of the Committee. The Committee shall meet semi-annually in conjunction with Board of Trust meetings.

It shall assist in maintaining relations with students, hear reports from students and others regarding student life, and assist in the enhancement of the quality of student life. It shall be advisory to the Board and the Chancellor and shall report on its activities at the semi-annual meetings of the Board. [2001]

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VANDERBILT UNIVERSITY

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A. General Provisions

1. The immediate government of the University is committed to the Chancellor and, through the Chancellor, to the assisting officers and the faculty in each of the several schools and colleges. [1982]
2. The Chancellor shall carry out the policies adopted from time to time by the Board of Trust. The Chancellor is vested with general authority to execute documents and contracts on behalf of the University, except as may be otherwise provided by resolutions of the Board. [1998]

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B. The Chancellor

1. The Chancellor shall be the chief officer of the University. The Chancellor may delegate authority to assisting officers, to the faculties, and to others within the University, but no delegation of authority shall in any wise diminish the Chancellor's responsibility to the Board of Trust. The Chancellor has authority to suspend the action of any faculty of the University, the Faculty Senate, or of other individuals or bodies to whom authority has been delegated. In so doing, in the case of any faculty or of the Faculty Senate, the Chancellor shall promptly submit to the body concerned, in writing, a statement of the action and the reasons therefore, and the Chancellor shall report the action to the Board at its next regular meeting together with any pertinent statement submitted by the body affected. [1998]
2. The Chancellor shall preside at Commencement and confer degrees on behalf of the Board. [1998]
3. The Chancellor is, ex officio, chairman of the faculty of each school and college. [1982]
4. The Chancellor shall appoint assisting officers, including General Officers and Deans of colleges and schools, as necessary, for the orderly administration of the University. These shall serve at the pleasure of the Chancellor. The appointment of General Officers and Deans of colleges and schools shall require approval by the Board. [1998]

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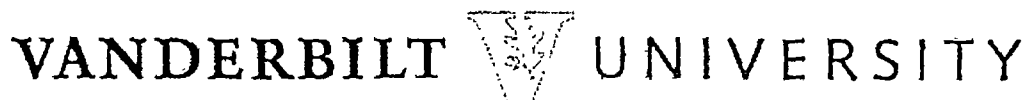
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C. The Faculties

1. The faculty of each school or college shall meet at such times as it may appoint, or at the call of the Chancellor or the appropriate dean. Each faculty may establish its own procedures for calling meetings. [1982]
2. The faculties have the power of recommending individuals for degrees or other marks of academic distinction when the conditions prescribed in the several departments, colleges, and schools have been fulfilled. No individual shall be awarded a degree without the recommendation of the appropriate faculty. None of the regular degrees of the University shall be conferred as honorary degrees, nor shall any honorary degree be conferred by the University except upon recommendation of the Faculty Senate and with the concurrence of the Board of Trust and of the faculties. Each faculty may adopt policies, rules, and procedures found necessary or desirable in connection with its internal administration.[1981]

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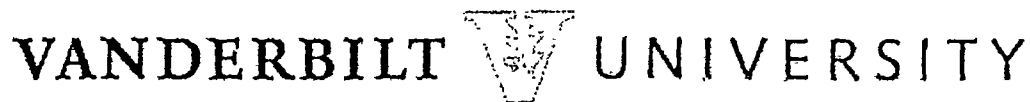
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D. The Faculty Assembly and the Faculty Senate

1. Voting membership of the Faculty Assembly consists of the full-time members of the faculties of the several colleges and schools, and those having full status with partial load, who hold the rank of Instructor or above (which includes administrative officers who hold faculty appointments). Part-time members of the faculties not having full status with partial load are nonvoting members of the Faculty Assembly. [1981]
2. The Faculty Senate is the representative, deliberative, legislative body of the Faculties. It is composed of the Deans of the colleges and schools, elected members, and ex officio members, including the Chancellor. Ex officio members may participate fully in the deliberations, but they have no vote. [1982]
3. The Faculty Assembly may adopt a Constitution, setting forth its own regulations and rules of order, and also the composition and organization of the Senate to the extent not herein above provided, including procedures for changing its composition from time to time. The Senate may be given power under the Constitution to adopt its own regulations and rules of order. The Constitution may contain provisions for its own amendment. [1966]
4. The Senate may, under the Constitution, be vested with the power to review and evaluate the educational policies and practices of the University (including policies and procedures to be applied in cases involving conscience or academic freedom); to make recommendations concerning them to the Chancellor, and through the Chancellor to the Board of Trust; to discuss and express its views about any matter affecting the University to any individual, faculty, or other group within the University; and to facilitate communication among the faculties, the Chancellor, and assisting officers. [1982]

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Chapter III. Amendments

1. These Bylaws may be amended at any regularly called meeting of the Board, by a majority vote of all the members then in office. [1998]
2. Notice of any proposed amendment shall be given to each member of the Board in writing at least fifteen (15) days prior to the meeting at which such amendment is to be considered. [1998]

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Charter

TWO DECREES inscribed in the Minute Book of Chancery Court in Nashville, Davidson County, Tennessee, constitute the Charter of Vanderbilt University. The first decree, entered August 6, 1872, in Minute Book W, pages 267-268-269, ordered that certain petitioners be declared a body politic and corporate under the name and style of "The Central University of the Methodist Episcopal Church South." The second decree, entered June 16, 1873, in Minute Book X, pages 309-310, changed the legal name of the corporation to "The Vanderbilt University."

On the following pages, the text is a word for word transcription of the handwritten entries in the Minute Books.

TRANSCRIPT

"The Central University of the }
Methodist Episcopal Church }
South" Ex parte }

This matter came on this day to be heard before the Hon'l Nathaniel Baxter Judge &c. of the Circuit Court of Davidson County, sitting by interchange with the Honorable Edward H. East, the Chancellor presiding, but who was incompetent to preside and hear this cause, for the reason that he was interested herein, and the same was heard upon the petition of W. C. Johnson, Robert J. Morgan, Smith W. Moore, and Milton Brown citizens and residents of the State of Tennessee and representatives of the Memphis Conference of the Methodist Episcopal Church South and Alexander L. P. Green, Jordan Stokes, David C. Kelley, Edward H. East, David T. Reynolds and Robert A. Young citizens and residents of Tennessee and representatives of the Tennessee Conference, and Landon C. Garland a citizen and resident of Mississippi and Philip Tuggle a citizen and resident of Tennessee, the two latter representing the North Mississippi Conference, and James H. McFerrin and John M. Steel citizens of the State of Arkansas, and representatives of the White River Conference and Christopher D. Oliver and Wm. Dickson citizens of the State of Alabama and representatives of the North Alabama Conference, and Edward Wadsworth and W. M. Byrd citizens of the State of Alabama and representatives of the Alabama Conference and Wm. L. C. Hunnicutt and Thomas Christian citizens of the State of Mississippi and representatives of the Mississippi Conference and James L. Borden and Wm. H. Foster, Citizens of the State of Louisiana and representatives of the Louisiana Conference, Andrew Hunter and James L. DeYampert citizens of the State of Arkansas and representatives of the Louisiana [Little Rock] Conference, and it appearing to the Court that said persons in their said petition prayed to be incorporated, under the name and style of "The Central University of the Methodist Episcopal Church South", the object and plan of said University having been fully set forth in resolutions passed by the delegates of said Conference, at a convention of the same held in the City of Memphis on the 24th, 25th, 26th and 27th of January, 1872, and which resolutions are in words and figures as follows:

"Resolved by the Convention,

1st. That measures be adopted looking to the establishment, as speedily as practicable of an institution of learning of the highest order and upon the surest basis where the Youth of the Church and Country may prosecute theological, literary, Scientific and professional studies to an extent as great, and in a manner as thorough as their wants demand.

Second That the institution shall be called the Central University of the Methodist Episcopal Church South."

Third. That it shall consist at present of five schools or departments, viz. a Theological school for the training of our young preachers, who, on application for admission shall present a recommendation from a quarterly or annual conference, and shall have obtained a standard of education equal to that required for admission on trial into an annual conference, and instruction to them shall be free both in the theological and the literary and scientific departments. Secondly, A Literary and scientific school. Thirdly, A Normal School. Fourthly, a Law School Fifthly. a Medical School.

Fourthly. That the sum of One Million of Dollars necessary in order to realize fully the object desired; and not less than five hundred Thousand dollars, must be secured as a condition precedent to the opening of any department of the University.

Fifthly. That the location of the University shall be left to the decision of the College of Bishops of the Methodist Episcopal Church South.

Sixthly. That the carrying out of this whole scheme is hereby committed to the persons (herein named before as petitioners) who shall take immediate steps for securing a suitable charter of incorporation, and shall be a Board of Trust with power to solicit and invest funds, appoint an agent or agents, and to do whatever else is necessary for the execution of this scheme.

Seventh. That seven of the Board of Trustees at any meeting regularly called, shall constitute a quorum.

Eighth. That provision be made in the charter for giving a fair representation in the management of the University to any annual conference hereafter cooperating with us

Ninthly. That the Bishops of the Methodist Episcopal Church South be and are hereby requested to act as a Board of supervision of the University or any of its departments, and jointly with the Board of Trust, to elect Officers and professors and prescribe the course of study and the plan of government."

And it further appearing to the Court that upon the filing of said petition, the Clerk & Master of this Court caused, by an order at rules, the same to be advertised, in pursuance of the statute in such cases made and prescribed, and it further appearing to the Court that no one has appeared, and made known any objection, to the granting of the prayers of the petition, and the Court upon inspection of the designs and objects of said corporation, finds nothing therein contained to be against public policy or good morals or in conflict with the constitution and Laws of the State or of the United States, is pleased to grant the prayer of the same, and doth hereby order adjudge and decree that the petitioners, be declared a body politic and corporate, under the name and style of "The Central University of the Methodist Episcopal Church South" and in that name may sue and be sued, plead and be impleaded, in the Courts of this State or of the other States of the Union, or of the United States of America, may have a common Seal, which may be altered at pleasure--shall have perpetual succession--may solicit and receive subscriptions, donations, legacies and devises, may hold real estate & personal property, in such amounts as the business of the corporation requires, and may receive the same by contract gift will or devise, and shall hold the same for the purposes of said incorporation, with all the lawful conditions imposed by the donor, may appoint such subordinate officers and agents and the business of the Corporation requires prescribe their duties and fix their compensation, To make bylaws not inconsistent with the laws of the land or this charter or the resolutions of the convention at Memphis as set out herein before--which resolutions are hereby adopted as a part of this charter--but shall make all bye-laws necessary and proper to carry out the objects of said resolutions as well as

for the management of its property and the regulation of its affairs and may also have power to pass all bylaws, necessary to the use of the powers herein given, or which by law may hereafter be confirmed, and all said powers rights and privileges, together with such others as are not herein specially given and referred to, are hereby conferred upon said corporation, in as full complete and ample manner, as by the laws of the State, the same can or might be, and said corporation shall have the power to confer all the degrees of merit and honor usually conferred by Universities.

It is further decreed that petitions pay the costs of this proceeding, and that C & M issue to them a certified copy of this decree

Nathaniel Baxter
Judge

Central University of Methodist Episcopal}
Church South Ex parte }

This matter came on this date to be heard before the Chancellor upon the petition heretofore filed, and publication of the matter thereof having heretofore been made according to the Statutes in such cases made and provided, the Court is pleased to Order and decree that the name and style of the Central University of the Methodist Episcopal Church South a corporation heretofore chartered under the constitution and laws of this State, as a University of learning, and with all the powers rights and privileges of such corporation as is now, given and conferred by the laws of the State of Tennessee, or may hereafter be given and conferred to be changed to the Name and Style of "The Vanderbilt University" by which which name it shall hereafter be known, and sue and be sued hold and receive property, confer degrees and do any and all things, which by the present or future laws of Tennessee, it may be empowered to do. It is further decreed that all the rights of property powers to contract privileges immunities and franchises, which heretofore by law under the decree of this Court were conferred upon the said corporation under the Name and Style of the Central University of the Methodist Episcopal Church South, and the property or rights thereof which have heretofore been secured to said Corporation pass to "The Vanderbilt University and its assigns and successors forever for the purposes of said Corporation, and that it have power to pass bylaws resolutions &c not inconsistent with the laws of the land, and to increase & diminish the number of its trustees and change the name of its schools and do and perform any and all acts allowable by law to Corporations of learning. It is further decreed that the said Vanderbilt University pay the costs of this proceeding for which a fifa issue.

Ordered that Court adjourn to Monday June 23d 1873.

W. F. Cooper
Chancellor

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