

William J. Clinton Foundation, Inc.

Independent Accountants' Report and Financial Statements

December 31, 2005 and 2004



William J. Clinton Foundation, Inc.  
December 31, 2005 and 2004

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## Independent Accountants' Report

Board of Directors  
William J. Clinton Foundation, Inc.  
Little Rock, Arkansas

We have audited the accompanying statements of financial position of William J. Clinton Foundation, Inc. as of December 31, 2005 and 2004 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of William J. Clinton Foundation, Inc. as of December 31, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in *Note 15* to the financial statements, in 2005 the Foundation adopted a policy of preparing its financial statements on the accrual basis of accounting. Previously, financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Consistent with the aforementioned change, the beginning net assets and financial statements for 2004 have been restated to be presented in accordance with the accrual basis of accounting.

/s/ BKD, LLP

June 9, 2006

**William J. Clinton Foundation, Inc.**  
**Statements of Financial Position**  
**December 31, 2005 and 2004**

**Assets**

	<u>2005</u>	<u>2004</u> <u>(Restated--</u> <u>Note 15)</u>
Cash and cash equivalents	\$ 6,411,539	\$ 3,541,150
Cash and cash equivalents restricted for transfer to the Bush-Clinton Katrina Fund	26,264,650	—
Accounts receivable	367,788	78,429
Contributions receivable	15,725,074	25,425,609
Inventory	744,112	562,146
Investments	384,564	367,502
Property and equipment, net of accumulated depreciation; 2005 - \$4,233,337, 2004 - \$597,891	<u>131,042,139</u>	<u>126,604,457</u>
Total assets	<u>\$ 180,939,866</u>	<u>\$ 156,579,293</u>

**Liabilities and Net Assets**

**Liabilities**

Notes payable	\$ —	\$ 10,350,000
Accounts payable and accrued expenses	2,362,683	11,948,701
Long-term debt	<u>16,825,440</u>	<u>28,479,870</u>
Total liabilities	<u>19,188,123</u>	<u>50,778,571</u>

**Net Assets**

Unrestricted net assets	119,536,109	80,375,113
Temporarily restricted	42,115,634	25,425,609
Permanently restricted	<u>100,000</u>	<u>—</u>
Total net assets	<u>161,751,743</u>	<u>105,800,722</u>
	<u>\$ 180,939,866</u>	<u>\$ 156,579,293</u>

**William J. Clinton Foundation, Inc.**  
**Statements of Activities**  
**Years Ended December 31, 2005 and 2004**

	2005			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>Revenues, Gains and Other Support</b>				
Contributions	\$ 44,612,954	\$ 51,337,862	\$ 100,000	\$ 96,050,816
Investment return	131,073	163,270	—	294,343
Other	3,319,929	2,694	—	3,322,623
Net assets released from restrictions	<u>34,703,083</u>	<u>(34,703,083)</u>	<u>—</u>	<u>0</u>
Total revenue, gains and other support	<u>82,767,039</u>	<u>16,800,743</u>	<u>100,000</u>	<u>99,667,782</u>
<b>Expenses and Losses</b>				
Program services	38,395,849	—	—	38,395,849
Fund raising	2,636,987	—	—	2,636,987
Management and general	2,573,207	—	—	2,573,207
Provision for uncollectible pledges	<u>—</u>	<u>110,718</u>	<u>—</u>	<u>110,718</u>
Total expenses and losses	<u>43,606,043</u>	<u>110,718</u>	<u>0</u>	<u>43,716,761</u>
<b>Change in Net Assets</b>	39,160,996	16,690,025	100,000	55,951,021
<b>Net Assets, Beginning of Year, as Previously Reported</b>	80,375,113	25,425,609	—	105,800,722
<b>Adjustments Applicable to Prior Years Due to Change in Basis of Accounting</b>	—	—	—	0
<b>Net Assets, Beginning of Year, Restated</b>	<u>80,375,113</u>	<u>25,425,609</u>	<u>—</u>	<u>105,800,722</u>
<b>Net Assets, End of Year</b>	<u>\$ 119,536,109</u>	<u>\$ 42,115,634</u>	<u>\$ 100,000</u>	<u>\$ 161,751,743</u>

2004 (Restated -- Note 15)		
Unrestricted	Temporarily Restricted	Total
\$ 40,316,899	\$ 33,235,791	\$ 73,552,690
(282,613)	7,297	(275,316)
947,431	38,915	986,346
<u>23,339,984</u>	<u>(23,339,984)</u>	<u>0</u>
<u>64,321,701</u>	<u>9,942,019</u>	<u>74,263,720</u>
55,819,348	—	55,819,348
2,247,377	—	2,247,377
2,797,622	—	2,797,622
<u>—</u>	<u>1,871,582</u>	<u>1,871,582</u>
<u>60,864,347</u>	<u>1,871,582</u>	<u>62,735,929</u>
3,457,354	8,070,437	11,527,791
78,900,974	—	78,900,974
(1,983,215)	17,355,172	15,371,957
<u>76,917,759</u>	<u>17,355,172</u>	<u>94,272,931</u>
<u>\$ 80,375,113</u>	<u>\$ 25,425,609</u>	<u>\$ 105,800,722</u>

**William J. Clinton Foundation, Inc.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2005 and 2004**

	2005	2004 (Restated -- Note 15)
<b>Operating Activities</b>		
Change in net assets	\$ 55,951,021	\$ 11,527,791
Items not requiring (providing) operating activities cash flows		
Depreciation	3,635,446	550,076
Net unrealized gains on investments	7,274	13,733
Contributions of investments	—	(337,294)
Contributions received restricted for long-term investment	(100,000)	—
Changes in		
Accounts receivable	(289,359)	(78,429)
Contributions receivable	9,700,535	(9,906,663)
Inventory	(181,966)	(562,146)
Accounts payable and accrued expenses	<u>2,292,678</u>	<u>70,005</u>
Net cash provided by operating activities	<u>71,015,629</u>	<u>1,277,073</u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(19,951,824)	(15,064,070)
Purchase of investments	(200,000)	—
Proceeds from sales of investments	<u>175,664</u>	<u>36,165</u>
Net cash used in investing activities	<u>(19,976,160)</u>	<u>(15,027,905)</u>
<b>Financing Activities</b>		
Contributions restricted for long-term investment	100,000	—
Proceeds from issuance of debt	—	10,350,000
Payments on notes payable	(10,350,000)	—
Payments on long-term debt	<u>(11,654,430)</u>	<u>—</u>
Net cash provided by (used in) financing activities	<u>(21,904,430)</u>	<u>10,350,000</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	29,135,039	(3,400,832)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>3,541,150</u>	<u>6,941,982</u>
<b>Cash and Cash Equivalents, End of Year</b>	\$ <u>32,676,189</u>	\$ <u>3,541,150</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Financial Position</b>		
Cash and cash equivalents	\$ 6,411,539	\$ 3,541,150
Cash and cash equivalents restricted for transfer to the Bush-Clinton Katrina Fund	<u>26,264,650</u>	<u>—</u>
	\$ <u>32,676,189</u>	\$ <u>3,541,150</u>

**William J. Clinton Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies**

**Nature of Operations**

William J. Clinton Foundation, Inc. (Foundation), formerly known as the William J. Clinton Presidential Foundation, is a tax-exempt foundation formed in October 1997 to design, construct and initially endow a Presidential archival depository (The Clinton Library) to house and preserve the books, correspondence, documents, papers, pictures, photographs and other memorabilia of President Clinton.

Since the completion of the Library the mission of the William J. Clinton Presidential Foundation has been to strengthen the capacity of people in the United States and throughout the world to meet the challenges of global interdependence. To advance this mission, the Foundation has developed programs and partnerships in the following areas:

- economic empowerment;
- racial, ethnic and religious reconciliation;
- health security;
- leadership development and citizen service

The Foundation solicits and accepts gifts and bequests of money or property for the purpose of supporting its mission.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash Equivalents**

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2005 and 2004, cash equivalents consisted of money market accounts held with brokers and a repurchase agreement with a financial institution. At December 31, 2005, the Foundation's cash deposits in U.S. banks exceeded federally issued limits by approximately \$32 million.



**William J. Clinton Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

### **Investments and Investment Return**

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

### **Property and Equipment**

Property and equipment are capitalized at cost and are depreciated on a straight-line basis over the estimated useful life of each asset.

### **Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Foundation in perpetuity.

### **Contributions**

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue and net assets.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

### **Collections**

The collections maintained at the William J. Clinton Presidential Library and Museum are the property of the National Archives and, as such, these collections are not included on the balance sheet of the Foundation. Furthermore, the Foundation is not responsible for the maintenance or preservation of items in the collections.

**William J. Clinton Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

**Income Taxes**

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income.

**Interest Capitalization**

The Foundation capitalizes interest costs during the construction of qualifying assets based on interest rates of borrowings specific to the project and qualified expenditures incurred during the period. During 2004, the Foundation capitalized \$491,100 of interest costs. No interest was capitalized in 2005 as construction of qualifying assets was completed in 2004.

**Functional Allocation of Expenses**

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program services, management and general and fund raising categories based on time and effort measurements and other methods.

**Note 2: Investments and Investment Return**

Investments at December 31, consisted of the following:

	<u>2005</u>	<u>2004 (Restated -- Note 15)</u>
Equity securities	\$ 181,750	\$ 195,209
Mutual funds	102,814	—
Certificates of deposit	100,000	—
Real estate	<u>—</u>	<u>172,293</u>
	<u>\$ 384,564</u>	<u>\$ 367,502</u>

Total investment return is comprised of the following:

	<u>2005</u>	<u>2004 (Restated -- Note 15)</u>
Interest and dividend income	\$ 280,998	\$ 35,917
Net realized and unrealized gains (losses) on investments	<u>13,345</u>	<u>(311,233)</u>
	<u>\$ 294,343</u>	<u>\$ (275,316)</u>

William J. Clinton Foundation, Inc.  
Notes to Financial Statements  
December 31, 2005 and 2004

**Note 3: Contributions Receivable**

All contributions receivable are reported as a component of temporarily restricted net assets and consisted of the following:

	2005	2004 (Restated -- Note 15)
Due within one year	\$ 9,672,890	\$ 19,780,725
Due in one to five years	12,405,129	11,720,129
Due in more than five years	<u>1,937,500</u>	<u>2,310,999</u>
	24,015,519	33,811,853
Less		
Allowance for uncollectible contributions	6,151,412	6,041,099
Unamortized discount	<u>2,139,033</u>	<u>2,345,145</u>
	<u>\$ 15,725,074</u>	<u>\$ 25,425,609</u>

**Note 4: Property and Equipment**

Property and equipment at December 31, consist of the following:

	2005	2004 (Restated -- Note 15)
Land	\$ 943,690	\$ 943,690
Furniture and equipment	1,361,311	764,804
Buildings and fixtures	<u>132,970,475</u>	<u>125,493,854</u>
	135,275,476	127,202,348
Less accumulated depreciation	<u>4,233,337</u>	<u>597,891</u>
	<u>\$ 131,042,139</u>	<u>\$ 126,604,457</u>

**Note 5: Notes Payable**

At December 31, 2004, the Foundation had two unsecured notes outstanding totaling \$10,350,000. One is in the amount of \$10 million and accrues interest at a rate of 2.48% per annum. The principal and all accrued interest is payable upon demand by the lender. The other note amounted to \$350,000, included no provision for the payment of interest and was payable upon demand by the lender. Both notes were repaid during 2005.

**William J. Clinton Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

**Note 6: Long-term Debt**

	2005	2004 (Restated -- Note 15)
Line of credit, bank (A)	\$ 14,900,000	\$ 26,499,870
Note payable, bank (B)	<u>1,925,440</u>	<u>1,980,000</u>
	<u>\$ 16,825,440</u>	<u>\$ 28,479,870</u>

(A) Line of credit with a borrowing limit of \$28,000,000. Interest accrues at the 30-day London Inter Bank Offering Rate (LIBOR) plus 1.75% and is payable monthly. At December 31, 2005, the interest rate in effect was 6.13%. The debt is secured by pledges receivable from donors. Subsequent to year end the line of credit was repaid.

(B) Note is due January 20, 2009. Interest accrues at a fixed annual rate of 4.95%. Interest only payments are due through January 2005. Thereafter and until January 2009, payments of \$13,013 are to be made monthly. Any remaining unpaid principal and interest is due on January 20, 2009 in a single balloon payment. The note is secured by real property.

Aggregate annual maturities of long-term debt at December 31, 2005, are:

2006	\$ 14,962,239
2007	65,391
2008	68,702
2009	<u>1,729,108</u>
	<u>\$ 16,825,440</u>

Total interest paid during the year ending December 31, 2005 and 2004, totaled \$1,602,431 and \$1,088,815, respectively. \$491,100 of the total interest incurred in 2004 was capitalized as a component of building costs.

**Note 7: Net Assets**

**Temporarily Restricted Net Assets**

Temporarily restricted net assets on December 31, 2005 and 2004, are available for the following purposes:

	2005	2004 (Restated -- Note 15)
For future periods (contributions receivable)	\$ 15,725,074	\$ 25,425,609
Transfer to the Bush-Clinton Katrina Fund	26,388,152	—
Other	<u>2,408</u>	<u>—</u>
	<u>\$ 42,115,634</u>	<u>\$ 25,425,609</u>

**William J. Clinton Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

**Permanently Restricted Net Assets**

Permanently restricted net assets at December 31, 2005 and 2004, are restricted to:

	2005	2004 (Restated -- Note 15)
Investment in perpetuity, the income of which is expendable to support Speakers endowment	\$ <u>100,000</u>	\$ <u>—</u>
	\$ <u>100,000</u>	\$ <u>0</u>

**Net Assets Released from Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2005	2004 (Restated -- Note 15)
Purpose restrictions accomplished		
Collection of pledges	\$ 18,599,235	\$ 17,440,102
HIV/AIDS Initiative	16,053,498	5,899,882
Transfer to the Bush-Clinton Katrina Fund	15,000	—
Other	<u>35,350</u>	<u>—</u>
	\$ <u>34,703,083</u>	\$ <u>23,339,984</u>

**Note 8: Operating Leases**

The Foundation has month-to-month operating leases for office space both domestically and internationally which require the Foundation to pay some executory costs (maintenance and insurance). Rental expense for all operating leases was \$107,224 and \$148,518 for 2005 and 2004, respectively.

**Note 9: Pension Plan**

The Foundation has a defined contribution pension plan covering substantially all employees. The Board of Directors annually determines the amount, if any, of the Foundation's contributions to the plan. Pension expense was \$72,794 and \$36,433 for 2005 and 2004, respectively.

**William J. Clinton Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

**Note 10: Repurchase Agreement**

The Foundation has entered into a repurchase agreement with a financial institution whereby excess cash in its operating account is invested in government-backed securities at the close of each business day and is redeposited, along with interest earned, in the checking account at the start of the next business day. Amounts invested through this agreement as of December 31, 2005 and 2004 were \$25,746,313 and \$1,860,104 respectively.

**Note 11: Transactions with the National Archives and Records Administration**

In 2004, the Foundation entered into a joint use, operating and transfer Agreement with the National Archives and Records Administration (NARA) that expires February 29, 2101. Under the agreement, NARA agreed to operate certain areas of the facility known as the Clinton Library for the purposes of housing, preserving, and making available, through historical research, exhibitions, educational programs, and other activities, the Presidential records and historical materials of President William Jefferson Clinton.

Because the terms of the lease essentially transfer to NARA the right to use portions of the Library for a period in excess of the property's expected economic life, the cost of construction of those areas operated by NARA have been recorded as a program service cost on the Foundation's Statement of Activities in the amount of \$36,000,000 in 2004.

The agreement also required the Foundation to establish an endowment with NARA equal to \$7,200,000 for the maintenance of the facility and equipment comprising the Clinton Library. The transfer of funds establishing the endowment with NARA was also recorded as a program service cost on the Foundation's Statement of Activities in 2004.

**Note 12: Bush-Clinton Katrina Fund**

The Bush-Clinton Katrina Fund (the Fund) is a joint effort of former Presidents Bush and Clinton to raise money for the victims of Hurricane Katrina. The Fund is an organization separate from the William J. Clinton Foundation; however, the Foundation raised approximately \$26.5 million for the benefit of the Fund during 2005. These funds are reported as temporarily restricted revenue and net assets on the Foundation's financial statements. Subsequent to year end, all funds raised on behalf of the Fund were transferred from the Foundation to the Fund.

**William J. Clinton Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

**Note 13: Disclosures about Fair Value of Financial Instruments**

The following methods were used to estimate the fair value of financial instruments.

The fair values of certain of these instruments is the estimated amount at which financial assets could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Because no market exists for certain of these financial instruments and because management does not intend to sell these financial instruments, the Foundation does not know whether the fair values shown below represent values at which the respective financial instruments could be sold individually or in the aggregate.

**Investments**

Fair value is based on quoted market prices, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

**Contributions Receivable**

The carrying amount is a reasonable estimate of fair value.

**Notes Payable and Long-term Debt**

For those items termed long-term debt on the Statement of Financial Position, fair value is estimated based on the borrowing rates currently available to the Foundation for bank loans with similar terms and maturities.

For those items included on the Statement of Financial Position as notes payable, fair value is not determinable as these are loans from private parties with terms not generally available from traditional borrowing sources.

The following table presents estimated fair values of the Foundation's financial instruments at December 31, 2005 and 2004.

	2005		2004 (Restated -- Note 15)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	\$ 32,676,189	\$ 32,676,189	\$ 3,541,150	\$ 3,541,150
Contributions receivable	\$ 15,725,074	\$ 15,725,074	\$ 25,425,609	\$ 25,425,609
Investments	\$ 384,564	\$ 384,564	\$ 367,502	\$ 367,502
Financial liabilities				
Long-term debt	\$ 16,825,440	\$ 16,631,989	\$ 28,479,870	\$ 28,379,811

**William J. Clinton Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

**Note 14: Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. These matters include the following:

**Assets in Foreign Countries**

The Foundation maintains cash balances and equipment in Asia, Africa and South America. At December 31, 2005, the Foundation had \$338,934 deposited in foreign banks and equipment with a net book value of \$72,782 in foreign countries.

**Note 15: Change in Basis of Accounting**

In previous years, the Foundation prepared its financial statements using the modified cash basis of accounting. In 2005, the Foundation adopted accounting principles generally accepted in the United States of America as the basis for its financial statements. The 2004 financial statements presented in comparison with the 2005 financial statements have been restated to conform with the new basis of accounting. Accordingly, as a result of the differences between accounting principles generally accepted in the United States of America and the modified cash basis of accounting, unrestricted net assets and temporarily restricted net assets at the beginning of 2004 are \$1,983,215 lower and \$17,355,172 higher, respectively, and the change in unrestricted and temporarily restricted net assets are \$2,380,243 and \$7,712,565 higher, respectively, than the amounts previously reported.



## Supplementary Information

## Independent Accountants' Report on Supplementary Information

Board of Directors  
William J. Clinton Foundation, Inc.  
Little Rock, Arkansas

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The nature of our audit procedures is more fully described in our report on the basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ BKD, LLP

June 9, 2006

**William J. Clinton Foundation, Inc.**  
**Functional Expenses**  
**Year Ended December 31, 2005**  
**(with Comparative Totals for 2004)**

	Program Services	Fund Raising	Management/ General	Total
Salaries and benefits	\$ 6,047,679	\$ 150,703	\$ 1,006,726	\$ 7,205,108
Direct program expenditures	8,338,788	—	18,531	8,357,319
Supplies, printing and media	4,373,880	1,375,516	399,649	6,149,045
Travel	5,160,457	57,488	177,026	5,394,971
Professional and consulting	567,311	927,287	526,785	2,021,383
Equipment rental and maintenance	605,544	7,575	102,006	715,125
Occupancy costs	949,364	50,328	208,840	1,208,532
Event expenses	6,091,511	17,639	34,255	6,143,405
Depreciation and interest	5,192,896	50,451	99,171	5,342,518
Other	1,068,419	—	218	1,068,637
<b>Totals Year Ended</b>				
December 31, 2005	<u>\$ 38,395,849</u>	<u>\$ 2,636,987</u>	<u>\$ 2,573,207</u>	<u>\$ 43,606,043</u>
<b>Totals Year Ended</b>				
December 31, 2004, as Restated	<u>\$ 55,819,348</u>	<u>\$ 2,247,377</u>	<u>\$ 2,797,622</u>	<u>\$ 60,864,347</u>

**Taxpayer Copy**

WILLIAM J. CLINTON FOUNDATION  
Form 990  
Tax Year 2005



400 W. Capitol Avenue, Suite 2500 ▪ P.O. Box 3667 ▪ Little Rock, AR 72203-3667 ▪ 501 372-1040

INSTRUCTIONS FOR FILING  
WILLIAM J. CLINTON FOUNDATION  
FORM 990 WITH SCH. A - EXEMPT UNDER 501(C) (3)  
FOR THE PERIOD ENDED DECEMBER 31, 2005

\*\*\*\*\*

SIGNATURE...

THE ORIGINAL RETURN SHOULD BE SIGNED (USING FULL NAME AND TITLE)  
AND DATED BY AN AUTHORIZED OFFICER OF THE ORGANIZATION.

FILING...

THE SIGNED RETURN SHOULD BE FILED ON OR BEFORE NOVEMBER 15, 2006  
WITH...

INTERNAL REVENUE SERVICE  
OGDEN, UT 84201-0027

PAYMENT OF TAX...

NO PAYMENT OF TAX IS REQUIRED.

THE RETURN SHOULD BE SENT CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

TO DOCUMENT THE TIMELY FILING OF YOUR TAX RETURN(S), WE SUGGEST THAT  
YOU OBTAIN AND RETAIN PROOF OF MAILING. PROOF OF MAILING CAN BE  
ACCOMPLISHED BY SENDING THE TAX RETURN(S) BY REGISTERED OR CERTIFIED  
MAIL (METERED BY THE U.S. POSTAL SERVICE) OR THROUGH THE USE OF AN IRS  
APPROVED DELIVERY METHOD PROVIDED BY AN IRS DESIGNATED PRIVATE  
DELIVERY SERVICE.

REPORTABLE TRANSACTIONS . . .

BEFORE PREPARING YOUR TAX RETURN, WE PROVIDED YOU WITH ACCESS TO A  
SUMMARY OF TRANSACTIONS IDENTIFIED BY THE U. S. TREASURY AS  
REPORTABLE TRANSACTIONS. THE LAW PROVIDES FOR A PENALTY AS HIGH  
AS \$200,000 PER TRANSACTION FOR FAILURE TO ADEQUATELY DISCLOSE ANY  
OF THEM ON YOUR TAX RETURN IF APPLICABLE. UNLESS YOU NOTIFIED US  
OTHERWISE, YOUR TAX RETURN WAS PREPARED WITH THE ASSUMPTION YOU  
HAVE NOT ENGAGED IN ANY REPORTABLE TRANSACTION. OTHERWISE, WE  
HAVE PREPARED YOUR TAX RETURN IN ACCORDANCE WITH THE INFORMATION  
YOU PROVIDED TO US AND HAVE ATTACHED THE APPROPRIATE DISCLOSURE  
STATEMENT TO YOUR TAX RETURN. WE ARE NOT LIABLE FOR ANY PENALTIES  
RESULTING FROM YOUR FAILURE TO PROVIDE US WITH ACCURATE AND TIMELY

INFORMATION ABOUT SUCH TRANSACTIONS OR TO TIMELY FILE THE REQUIRED  
DISCLOSURE STATEMENTS. IF YOU HAVE ANY QUESTIONS ABOUT  
REPORTABLE TRANSACTIONS, PLEASE CONTACT US BEFORE FILING YOUR  
RETURN.

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# IRS e-file Signature Authorization for an Exempt Organization

For calendar year 2005, or fiscal year beginning \_\_\_\_\_, 2005, and ending \_\_\_\_\_, 20\_\_

Department of the Treasury  
Internal Revenue Service

**▶ Do not send to the IRS. Keep for your records.**  
**▶ See instructions.**

# 2005

Return ID (20-digit number) ▶ **20051234D6R0IB**

Name of exempt organization <b>WILLIAM J. CLINTON FOUNDATION</b>	Employer identification number <b>31-1580204</b>
Name and title of officer	

### Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount from the return if any. If you check the box on line 1a, 2a, 3a, 4a or 5a below and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

<b>1a</b> Form 990 check here ▶ <input checked="" type="checkbox"/>	<b>b</b> Total revenue, if any (Form 990, line 12) . . . . .	<b>1b</b> <u>82434760.</u>
<b>2a</b> Form 990-EZ check here ▶ <input type="checkbox"/>	<b>b</b> Total revenue, if any (Form 990-EZ, line 9) . . . . .	<b>2b</b> _____
<b>3a</b> Form 1120-POL check here ▶ <input type="checkbox"/>	<b>b</b> Total tax (Form 1120-POL, line 22) . . . . .	<b>3b</b> _____
<b>4a</b> Form 990-PF check here ▶ <input type="checkbox"/>	<b>b</b> Tax Based on Investment Income (Form 990-PF, Part VI, line 5) <b>4b</b>	_____
<b>5a</b> Form 8868 check here ▶ <input type="checkbox"/>	<b>b</b> Balance Due (Form 8868, line 3c) . . . . .	<b>5b</b> _____

### Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2005 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's Federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

#### Officer's PIN: check one box only

I authorize BKD LLP to enter my PIN 

7	2	2	0	3
---	---	---	---	---

 as my signature

ERO firm name

do not enter all zeros

on the organization's tax year 2005 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(s) regulating charities as part of the IRS Fed/State program. I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2005 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(s) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

### Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

7	2	2	0	3					
---	---	---	---	---	--	--	--	--	--

  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2005 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4206, Information for Authorized IRS e-file Providers for Exempt Organization Filings.

ERO's signature ▶ \_\_\_\_\_ Date ▶ 10/01/2006

**ERO Must Retain This Form - See Instructions**  
**Do Not Submit This Form To the IRS Unless Requested To Do So**



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)

Department of the Treasury Internal Revenue Service

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

A For the 2005 calendar year, or tax year beginning, 2005, and ending

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: WILLIAM J. CLINTON FOUNDATION. D Employer identification number: 31-1580204. E Telephone number: (501) 371-9544. F Accounting method: Cash, Accrual.

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.CLINTONPRESIDENTIALCENTER.COM

J Organization type (check only one) 501(c) ( 03 ) 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 chooses to file a return, be sure to file a complete return. 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

H(c) Are all affiliates included? (If "No," attach a list. See instructions.) Yes No

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 93,997,131.

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

Table with 21 rows and 4 columns: Description, Sub-description, Amount, Total. Includes Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21). Total revenue: 82,434,760. Total expenses: 26,317,091. Net assets at end of year: 161,751,743.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

**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 the instructions.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22</b> Grants and allocations (attach schedule) (cash \$ <u>205,555.</u> noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22</b>	205,555.	205,555.	STMT 9	
<b>23</b> Specific assistance to individuals (attach schedule)	<b>23</b>				
<b>24</b> Benefits paid to or for members (attach schedule)	<b>24</b>				
<b>25</b> Compensation of officers, directors, etc.	<b>25</b>	511,161.	383,371.	102,232.	25,558.
<b>26</b> Other salaries and wages	<b>26</b>	2,055,685.	1,541,764.	411,137.	102,784.
<b>27</b> Pension plan contributions	<b>27</b>	72,795.	54,596.	14,559.	3,640.
<b>28</b> Other employee benefits	<b>28</b>	180,197.	135,148.	36,039.	9,010.
<b>29</b> Payroll taxes	<b>29</b>	194,226.	145,670.	38,845.	9,711.
<b>30</b> Professional fundraising fees	<b>30</b>	530,000.			530,000.
<b>31</b> Accounting fees	<b>31</b>	59,584.		59,584.	
<b>32</b> Legal fees	<b>32</b>	102,750.		102,750.	
<b>33</b> Supplies	<b>33</b>	210,276.	131,170.	49,436.	29,670.
<b>34</b> Telephone	<b>34</b>	194,545.	116,727.	48,636.	29,182.
<b>35</b> Postage and shipping	<b>35</b>	457,265.	236,732.	39,062.	181,471.
<b>36</b> Occupancy	<b>36</b>	671,406.	584,657.	72,231.	14,518.
<b>37</b> Equipment rental and maintenance	<b>37</b>	27,898.	16,739.	6,974.	4,185.
<b>38</b> Printing and publications	<b>38</b>	90,901.	45,991.	6,525.	38,385.
<b>39</b> Travel	<b>39</b>	3,152,138.	3,041,479.	63,234.	47,425.
<b>40</b> Conferences, conventions, and meetings	<b>40</b>				
<b>41</b> Interest	<b>41</b>	1,602,431.	1,578,395.	24,036.	
<b>42</b> Depreciation, depletion, etc. (attach schedule)	<b>42</b>	3,609,502.	3,555,359.	54,143.	
<b>43</b> Other expenses not covered above (itemize):					
a STMT 10	<b>43a</b>	12,388,776.	10,179,517.	511,210.	1,698,049.
b	<b>43b</b>				
c	<b>43c</b>				
d	<b>43d</b>				
e	<b>43e</b>				
f	<b>43f</b>				
g	<b>43g</b>				
<b>44</b> Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	<b>44</b>	26,317,091.	21,952,870.	1,640,633.	2,723,588.

**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 IV Balance Sheets** (See the instructions.)

		(A) Beginning of year	(B) End of year
<b>Assets</b>	<b>45</b> Cash - non-interest-bearing . . . . .		<b>45</b>
	<b>46</b> Savings and temporary cash investments . . . . .	3,546,686.	<b>46</b> 32,676,188.
	<b>47a</b> Accounts receivable . . . . .	<b>47a</b> 367,788.	
	<b>b</b> Less: allowance for doubtful accounts . . . . .	<b>47b</b>	<b>47c</b> 367,788.
	<b>48a</b> Pledges receivable . . . . .	<b>48a</b> 21,876,486.	
	<b>b</b> Less: allowance for doubtful accounts . . . . .	<b>48b</b> 6,151,412.	<b>48c</b> 15,725,074.
	<b>49</b> Grants receivable . . . . .		<b>49</b>
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .		<b>50</b>
	<b>51a</b> Other notes and loans receivable (attach schedule) . . . . .	<b>51a</b>	
	<b>b</b> Less: allowance for doubtful accounts . . . . .	<b>51b</b>	<b>51c</b>
	<b>52</b> Inventories for sale or use . . . . .		<b>52</b> 744,112.
	<b>53</b> Prepaid expenses and deferred charges . . . . .		<b>53</b>
	<b>54</b> Investments - securities (attach schedule) <input type="checkbox"/> STMT 12 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	648,723.	<b>54</b> 384,564.
	<b>55a</b> Investments - land, buildings, and equipment: basis . . . . .	<b>55a</b> NONE	
	<b>b</b> Less: accumulated depreciation (attach schedule) . . . . .	<b>55b</b> 172,293.	<b>55c</b> NONE
<b>56</b> Investments - other (attach schedule) . . . . .		<b>56</b>	
<b>57a</b> Land, buildings, and equipment: basis . . . . .	<b>57a</b> 135,275,477.		
<b>b</b> Less: accumulated depreciation (attach schedule) . . . . .	<b>57b</b> 4,233,337.	<b>57c</b> 131,042,140.	
<b>58</b> Other assets (describe <input type="checkbox"/> )		<b>58</b>	
<b>59 Total assets</b> (must equal line 74). Add lines 45 through 58. . . . .	119,094,015.	<b>59</b> 180,939,866.	
<b>Liabilities</b>	<b>60</b> Accounts payable and accrued expenses . . . . .	NONE	<b>60</b> 2,362,683.
	<b>61</b> Grants payable . . . . .		<b>61</b>
	<b>62</b> Deferred revenue . . . . .		<b>62</b>
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .		<b>63</b>
	<b>64a</b> Tax-exempt bond liabilities (attach schedule) . . . . .		<b>64a</b>
	<b>b</b> Mortgages and other notes payable (attach schedule) . . . . .	<b>64b</b> 38,479,870.	16,825,440.
	<b>65</b> Other liabilities (describe <input type="checkbox"/> )		<b>65</b>
<b>66 Total liabilities.</b> Add lines 60 through 65. . . . .	38,479,870.	<b>66</b> 19,188,123.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	<b>67</b> Unrestricted . . . . .	80,614,145.	<b>67</b> 119,536,109.
	<b>68</b> Temporarily restricted . . . . .		<b>68</b> 42,115,634.
	<b>69</b> Permanently restricted . . . . .		<b>69</b> 100,000.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.		
	<b>70</b> Capital stock, trust principal, or current funds . . . . .		<b>70</b>
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund . . . . .		<b>71</b>
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>72</b>
	<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) <b>must</b> equal line 19; column (B) <b>must</b> equal line 21) . . . . .	80,614,145.	<b>73</b> 161,751,743.
	<b>74 Total liabilities and net assets/fund balances.</b> Add lines 66 and 73. . . . .	119,094,015.	<b>74</b> 180,939,866.

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

<b>a</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>a</b>	83,614,284.
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 12:		
<b>1</b>	Net unrealized gains on investments . . . . .	<b>b1</b>	116,981.
<b>2</b>	Donated services and use of facilities . . . . .	<b>b2</b>	
<b>3</b>	Recoveries of prior year grants . . . . .	<b>b3</b>	
<b>4</b>	Other (specify): <u>SEE STATEMENT 14</u>	<b>b4</b>	1,062,543.
	Add lines <b>b1</b> through <b>b4</b> . . . . .	<b>b</b>	1,179,524.
<b>c</b>	Subtract line <b>b</b> from line <b>a</b> . . . . .	<b>c</b>	82,434,760.
<b>d</b>	Amounts included on Part I, line 12, but not on line <b>a</b> :		
<b>1</b>	Investment expenses not included on Part I, line 6b . . . . .	<b>d1</b>	
<b>2</b>	Other (specify): _____	<b>d2</b>	
	Add lines <b>d1</b> and <b>d2</b> . . . . .	<b>d</b>	
<b>e</b>	<b>Total revenue</b> (Part I, line 12). Add lines <b>c</b> and <b>d</b> . . . . .	<b>e</b>	82,434,760.

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

<b>a</b>	Total expenses and losses per audited financial statements . . . . .	<b>a</b>	27,379,634.
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 17:		
<b>1</b>	Donated services and use of facilities . . . . .	<b>b1</b>	
<b>2</b>	Prior year adjustments reported on Part I, line 20 . . . . .	<b>b2</b>	
<b>3</b>	Losses reported on Part I, line 20 . . . . .	<b>b3</b>	
<b>4</b>	Other (specify): <u>SEE STATEMENT 15</u>	<b>b4</b>	1,062,543.
	Add lines <b>b1</b> through <b>b4</b> . . . . .	<b>b</b>	1,062,543.
<b>c</b>	Subtract line <b>b</b> from line <b>a</b> . . . . .	<b>c</b>	26,317,091.
<b>d</b>	Amounts included on Part I, line 17, but not on line <b>a</b> :		
<b>1</b>	Investment expenses not included on Part I, line 6b . . . . .	<b>d1</b>	
<b>2</b>	Other (specify): _____	<b>d2</b>	
	Add lines <b>d1</b> and <b>d2</b> . . . . .	<b>d</b>	
<b>e</b>	<b>Total expenses</b> (Part I, line 17). Add lines <b>c</b> and <b>d</b> . . . . .	<b>e</b>	26,317,091.

**Part V Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
<u>SEE STATEMENT 16</u>		511,161.	66,258.	-0-

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

- 75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings . . . . . 5
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) . . . . .
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? Note. Related organizations include section 509(a)(3) supporting organizations.
If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.
d Does the organization have a written conflict of interest policy? . . . . .

Table with 3 columns: Question, Yes, No. Rows 75a-75d with 'X' marks in Yes/No columns.

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1 shows -0- in all columns.

Part VI Other Information (See the instructions.)

- 76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity . . . . .
77 Were any changes made in the organizing or governing documents but not reported to the IRS? . . . STMT. 17 .
If "Yes," attach a conformed copy of the changes.
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .
b If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . . .
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? . . . . .
b If "Yes," enter the name of the organization CLINTON FOUNDATION HIV/AIDS INITIATIVE, INC. and check whether it is [X] exempt or [ ] nonexempt
81a Enter direct and indirect political expenditures. (See line 81 instructions.) . . . . . 81a
b Did the organization file Form 1120-POL for this year? . . . . .

Table with 3 columns: Question, Yes, No. Rows 76-81b with 'X' marks in Yes/No columns.

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? . . . . .	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) . . . . . 82b		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications? . . . . .	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? . . . . .	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible? . . . . .		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	N/A	
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 . . . . .		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ N/A ; section 4912 ▶ N/A ; section 4955 ▶ N/A		
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 . . . . .		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 . . . . . ▶ N/A		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization . . . . . ▶ N/A		
90 a	List the states with which a copy of this return is filed ▶ SEE STATEMENT 18		
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions.) . . . . . 90b	42	
91 a	The books are in care of ▶ ANDREW KESSEL Telephone no. ▶ 501-371-9544 Located at ▶ 301 E. MARKHAM, SUITE C LITTLE ROCK, AR ZIP + 4 ▶ 72201		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . . 91b	X	
	If "Yes," enter the name of the foreign country ▶ SEE ATTACHED LIST OF COUNTRIES - STATEMENT 3 See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
c	At any time during the calendar year, did the organization maintain an office outside of the United States? . . . . . 91c	X	
	If "Yes," enter the name of the foreign country ▶ SEE ATTACHED LIST OF COUNTRIES - STATEMENT 3		
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 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	
<b>93</b> Program service revenue:					
<b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> Medicare/Medicaid payments . . . . .					
<b>g</b> Fees and contracts from government agencies . . . . .					
<b>94</b> Membership dues and assessments . . . . .					
<b>95</b> Interest on savings and temporary cash investments . . . . .					
<b>96</b> Dividends and interest from securities . . . . .			14	244,129.	
<b>97</b> Net rental income or (loss) from real estate:					
<b>a</b> debt-financed property . . . . .					
<b>b</b> not debt-financed property . . . . .			17	627,588.	
<b>98</b> Net rental income or (loss) from personal property . . . . .					
<b>99</b> Other investment income . . . . .					
<b>100</b> Gain or (loss) from sales of assets other than inventory . . . . .			18	-115,146.	
<b>101</b> Net income or (loss) from special events . . . . .					
<b>102</b> Gross profit or (loss) from sales of inventory . . . . .					1,068,011.
<b>103</b> Other revenue: <b>a</b> _____					
<b>b</b> LIBRARY ADMISSIONS					448,198.
<b>c</b> LIST RENTAL			13	69,785.	
<b>d</b> MISCELLANEOUS			01	43,804.	
<b>e</b> _____					
<b>104</b> Subtotal (add columns (B), (D), and (E)) . . . . .				870,160.	1,516,209.
<b>105</b> Total (add line 104, columns (B), (D), and (E)) . . . . .					2,386,369.

**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 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).
▼	STMT 19

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See 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
	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See 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).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Please Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

Type or print name and title. \_\_\_\_\_

---

**Paid Preparer's Use Only**

Preparer's signature  Date \_\_\_\_\_ Check if self-employed  Preparer's SSN or PTIN (See Gen. Inst. W) P00372843

Firm's name (or yours if self-employed), address, and ZIP + 4  BKD, LLP P.O. BOX 3667 LITTLE ROCK, AR 72203-3667 EIN  44-0160260 Phone no.  501-372-1040



**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 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information - (See separate instructions.)**

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

OMB No. 1545-0047

**2005**

Name of the organization

**WILLIAM J. CLINTON FOUNDATION**

Employer identification number

**31-1580204**

**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 STATEMENT 20				
Total number of other employees paid over \$50,000 . . ▶	13			

**Part II-A 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
SEE STATEMENT 21		
Total number of others receiving over \$50,000 for professional services . . . . . ▶	14	

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 22		
Total number of other contractors receiving over \$50,000 for other services . . . . . ▶	9	

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

Schedule A (Form 990 or 990-EZ) 2005

Part III Statements About Activities (See page 2 of the instructions.)

Table with 4 columns: Question, Yes, No. Rows include questions about lobbying activities, grants, and donor accounts.

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

Form for Part IV with checkboxes for reasons like 'A church, convention of churches...' and a table for supported organizations.

14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

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

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

Table with columns: Calendar year (or fiscal year beginning in), (a) 2004, (b) 2003, (c) 2002, (d) 2001, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends; 19 Net income from unrelated business activities; 20 Tax revenues levied; 21 Value of services or facilities furnished; 22 Other income; 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; 27 Organizations described on line 12; 28 Unusual Grants.

**Part V Private School Questionnaire** (See page 7 of the instructions.) NOT APPLICABLE  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		Yes	No
<b>29</b>	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? . . . . .	<b>29</b>	
<b>30</b>	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? . . . . .	<b>30</b>	
<b>31</b>	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.) ----- ----- -----	<b>31</b>	
<b>32</b>	Does the organization maintain the following:		
<b>a</b>	Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .	<b>32a</b>	
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .	<b>32b</b>	
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .	<b>32c</b>	
<b>d</b>	Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .	<b>32d</b>	
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
<b>33</b>	Does the organization discriminate by race in any way with respect to:		
<b>a</b>	Students' rights or privileges? . . . . .	<b>33a</b>	
<b>b</b>	Admissions policies? . . . . .	<b>33b</b>	
<b>c</b>	Employment of faculty or administrative staff? . . . . .	<b>33c</b>	
<b>d</b>	Scholarships or other financial assistance? . . . . .	<b>33d</b>	
<b>e</b>	Educational policies? . . . . .	<b>33e</b>	
<b>f</b>	Use of facilities? . . . . .	<b>33f</b>	
<b>g</b>	Athletic programs? . . . . .	<b>33g</b>	
<b>h</b>	Other extracurricular activities? . . . . .	<b>33h</b>	
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
<b>34 a</b>	Does the organization receive any financial aid or assistance from a governmental agency? . . . . .	<b>34a</b>	
<b>b</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.	<b>34b</b>	
<b>35</b>	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 . . . . .	<b>35</b>	

**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) **NOT APPLICABLE**

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

<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	<b>36</b>	
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .	<b>37</b>	
<b>38</b>	Total lobbying expenditures (add lines 36 and 37) . . . . .	<b>38</b>	
<b>39</b>	Other exempt purpose expenditures . . . . .	<b>39</b>	
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39) . . . . .	<b>40</b>	
<b>41</b>	Lobbying nontaxable amount. Enter the amount from the following table - <b>If the amount on line 40 is -</b> <b>The lobbying nontaxable amount is -</b> Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . . Over \$500,000 but not over \$1,000,000 . . . . \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 . . . \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 . . \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 . . . . . \$1,000,000	<b>41</b>	
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41) . . . . .	<b>42</b>	
<b>43</b>	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 . . . . .	<b>43</b>	
<b>44</b>	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 . . . . .	<b>44</b>	

**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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
<b>45</b> Lobbying nontaxable amount . . . . .					
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) . . . . .					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots nontaxable amount . . . . .					
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) . . . . .					
<b>50</b> Grassroots lobbying expenditures . . . . .					

**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:	Yes	No	Amount
<b>a</b> Volunteers . . . . .			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .			
<b>c</b> Media advertisements . . . . .			
<b>d</b> Mailings to members, legislators, or the public . . . . .			
<b>e</b> Publications, or published or broadcast statements . . . . .			
<b>f</b> Grants to other organizations for lobbying purposes . . . . .			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body . . . . .			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .			
<b>i</b> 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.



**Schedule B**

(Form 990, 990-EZ, or 990-PF)  
Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

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

OMB No. 1545-0047

**2005**

Name of organization

WILLIAM J. CLINTON FOUNDATION

Employer identification number

31-1580204

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(03) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

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

**General Rule -**

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

**Special Rules -**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test under Regulations sections 1.509(a)-3/1.170A-9(e) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) . . . . . ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2005)

<b>Name of organization</b> <b>WILLIAM J. CLINTON FOUNDATION</b>	<b>Employer identification number</b> <b>31-1580204</b>
--	--

**Part I Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		5,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		4,273,305.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		3,999,960.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		3,150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		3,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		46,167,890.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)



<b>Name of organization</b> <b>WILLIAM J. CLINTON FOUNDATION</b>	<b>Employer identification number</b> <b>31-1580204</b>
--	--

**Part I** Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		4,318,754.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		41,771.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		10,028,614.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		68,097.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization <b>WILLIAM J. CLINTON FOUNDATION</b>	Employer identification number <b>31-1580204</b>
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**Part II Noncash Property** (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	VARIOUS STOCKS, SEE STATEMENT 4 FOR DETAILED LIST OF STOCKS CONTRIBUTED.	\$ 10,028,614.	08/01/2005
		\$ 68,097.	VARIOUS
		\$	
		\$	
		\$	
		\$	
		\$	

FORM 990 - GENERAL EXPLANATION ATTACHMENT

=====

PROGRAM SERVICES

PART III STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

THE MISSION OF THE WILLIAM J. CLINTON FOUNDATION IS TO STRENGTHEN THE CAPACITY OF PEOPLE IN THE UNITED STATES AND THROUGHOUT THE WORLD TO MEET THE CHALLENGES OF GLOBAL INTERDEPENDENCE. TO ADVANCE THIS MISSION, THE CLINTON FOUNDATION HAS DEVELOPED PROGRAMS AND PARTNERSHIPS IN THE FOLLOWING AREAS:

- HEALTH SECURITY
- ECONOMIC EMPOWERMENT
- LEADERSHIP DEVELOPMENT AND CITIZEN SERVICE
- RACIAL, ETHNIC AND RELIGIOUS RECONCILIATION

DURING 2005, THE FOUNDATION ENGAGED IN THE FOLLOWING ACTIVITIES IN SUPPORT OF ITS MISSION:

THE CLINTON GLOBAL INITIATIVE (CGI), A NONPARTISAN GATHERING OF GLOBAL LEADERS TO DEVISE AND IMPLEMENT IMMEDIATE, PRACTICAL SOLUTIONS OF SOME OF THE WORLD'S MOST PRESSING CHALLENGES, HELD ITS INAUGURAL MEETING IN SEPTEMBER, 2005. 35 CURRENT AND 10 FORMER HEADS OF STATE ATTENDED CGI 2005, ALONG WITH BUSINESS AND NONPROFIT LEADERS FROM 69 COUNTRIES, RESULTING IN OVER 300 COMMITMENTS, VALUED AT OVER \$2.5 BILLION, TO ADDRESS GLOBAL POVERTY, RELIGIOUS CONFLICT AND RECONCILIATION, GOOD GOVERNANCE, AND CLIMATE CHANGE.

THE CLINTON FOUNDATION HIV/AIDS INITIATIVE (CHAI) EXPANDED ITS PROCUREMENT CONSORTIUM, WHICH OBTAINS LIFE-SAVING AIDS MEDICINES FOR OVER 50 DEVELOPING NATIONS AT A SUBSTANTIALLY REDUCED PRICE. CHAI WORKED TO DELIVER TREATMENTS TO CHILDREN AND PEOPLE IN RURAL AREAS, TWO GROUPS THAT HAVE BEEN TERRIBLY NEGLECTED, BUT DESPERATELY NEED OUR HELP. WORKING IN CLOSE PARTNERSHIP WITH GOVERNMENTS, OTHER NON-GOVERNMENTAL ORGANIZATIONS, AND THE PRIVATE SECTOR, CHAI STRIVES TO MAKE TREATMENT FOR HIV/AIDS MORE AFFORDABLE AND TO IMPLEMENT LARGE-SCALE INTEGRATED CARE, TREATMENT, AND PREVENTION PROGRAMS THAT ARE HELPING TO TURN THE TIDE OF THE PANDEMIC.

BY PARTNERING WITH THE AMERICAN HEART ASSOCIATION IN 2005 TO CREATE THE ALLIANCE FOR A HEALTHIER GENERATION, THE FOUNDATION TOOK CONCRETE ACTION TO REVERSE THE DEADLY TREND OF CHILDHOOD OBESITY IN THE UNITED STATES. THE ALLIANCE RAISED AWARENESS ABOUT NUTRITION AND EXERCISE AMONG YOUNG PEOPLE, PARENTS, AND SCHOOLS, AND ENGAGED INDUSTRY LEADERS SUCH AS SOFT DRINK MANUFACTURERS TO PROVIDE HEALTHIER CHOICES FOR KIDS.

THE URBAN ENTERPRISE INITIATIVE (UEI), FORMERLY CALLED THE SMALL BUSINESS INITIATIVE, WAS LAUNCHED BY THE FOUNDATION IN 2001 TO OFFER TECHNICAL AND MANAGERIAL SUPPORT TO LOCAL ENTREPRENEURS. THE PROGRAM

FORM 990 - GENERAL EXPLANATION ATTACHMENT

=====

BEGAN WITH A PILOT PROGRAM FOR TEN SMALL BUSINESSES IN HARLEM, AND LATER EXPANDED TO THE NEW YORK BOROUGHES OF BROOKLYN AND THE BRONX. CONSULTING TEAMS ASSISTED IN CRITICAL AREAS SUCH AS ACCOUNTING, FINANCIAL MANAGEMENT, MARKETING, INFORMATION TECHNOLOGY AND HUMAN RESOURCES. TO DATE THE PROGRAM HAS PROVIDED MORE 50,000 HOURS OF PRO-BONO TECHNICAL ASSISTANCE - VALUED AT MORE THAN \$10 MILLION IN PROFESSIONAL SERVICE FEES. 2005 ALSO SAW THE COMPLETION OF A MARKET STUDY OF HARLEM CREATED TO HELP PARTICIPATING ENTREPRENEURS BETTER UNDERSTAND THE NEEDS OF THEIR CUSTOMERS.

THE WILLIAM J. CLINTON PRESIDENTIAL CENTER DREW OVER 500,000 GUESTS IN 2005 FROM ALL 50 STATES AND DOZENS OF FOREIGN NATIONS. THE FACILITY FEATURES 20,000 SQUARE FEET OF MUSEUM SPACE, AND POPULAR EXHIBITS INCLUDE AN INTERACTIVE TIMELINE CHRONICLING PRESIDENT CLINTON'S ADMINISTRATION AND A FULL-SCALE REPLICA OF THE OVAL OFFICE. IN ADDITION TO TELLING THE STORY OF THE CLINTON ADMINISTRATION, THE LIBRARY HOSTS A VARIETY OF CULTURAL EVENTS, INCLUDING CONCERTS, LECTURES, AND SPECIAL EXHIBITS THROUGHOUT THE YEAR, MAKING IT ONE OF THE MOST POPULAR EVENT VENUES IN ARKANSAS.

IN 2005, THE UNIVERSITY OF ARKANSAS CLINTON SCHOOL OF PUBLIC SERVICE WELCOMED ITS FIRST CLASS OF TALENTED AND DIVERSE STUDENTS. THE SCHOOL, LOCATED ON THE GROUNDS OF THE CLINTON PRESIDENTIAL CENTER, BUILDS LEADERSHIP IN CIVIC ENGAGEMENT AND CITIZEN SERVICE BY ENHANCING THE STUDENTS' CAPACITY TO WORK ACROSS DISCIPLINARY, RACIAL, ETHNIC, AND GEOGRAPHICAL BOUNDARIES. THE MASTER OF PUBLIC SERVICE DEGREE PROGRAM CONSISTS OF 22 CLASSROOM CREDIT HOURS AND 14 PUBLIC SERVICE PROJECT CREDIT HOURS.

THE CLINTON FOUNDATION INTERNSHIP PROGRAM OFFERS UNDERGRADUATE AND GRADUATE STUDENTS PRACTICAL WORKPLACE EXPERIENCE AND AN OPPORTUNITY TO CONTRIBUTE TO THE DEVELOPMENT AND IMPLEMENTATION OF CLINTON FOUNDATION PROGRAMS.

IN ADDITION TO THE ABOVE ACTIVITIES, THE CLINTON FOUNDATION HAS WORKED IN PARTNERSHIP WITH A NUMBER OF OTHER ORGANIZATIONS TO FURTHER ITS MISSION.

FORM 990 - GENERAL EXPLANATION ATTACHMENT

=====

FOREIGN BANK ACCOUNTS AND OFFICES  
PART VI, QUESTIONS 91B & 91C

FOREIGN COUNTRIES IN WHICH A BANK ACCOUNT AND OFFICE WAS MAINTAINED:

- CAMBODIA
- CHINA
- DOMINICAN REPUBLIC
- INDIA
- KENYA
- LESOTHO
- MOZAMBIQUE
- RWANDA
- SOUTH AFRICA
- TANZANIA
- OECS (ST. LUCIA)

FORM 990 - GENERAL EXPLANATION ATTACHMENT

STOCKS CONTRIBUTED  
SCHEDULE B, PART III

THE FOLLOWING STOCKS WERE CONTRIBUTED

# SHARES	NAME OF STOCK	VALUE
16,407	CINTAS CORP	728,963.
18,857	CITIGROUP	824,051.
8,921	COCA COLA	391,364.
19,200	COLGATE-PALMOLIVE	1,018,560.
23,000	HOME DEPOT	985,780.
17,800	KELLOGG CO	801,000.
16,000	LOWES COMPANIES	1,057,760.
2,500	NOKIA CORP	39,825.
32,000	COMMERCE BANCORP	1,080,640.
7,318	COSTCO WHOLESALE	333,994.
20,000	ELECTRONIC DATA SYS	413,400.
8,700	EMERSON ELECTRIC	572,460.
14,220	EQUITY RESIDENTIAL	571,075.
11,400	GENERAL MILLS	539,334.
9,400	GUIDANT CORP	670,408.
	TOTAL	\$10,028,614.

FORM 990, PART I - GROSS SALES LESS RETURNS AND ALLOWANCES  
=====

DESCRIPTION -----	AMOUNT -----
MUSEUM STORE SALES	2,130,554.
TOTAL	<u>2,130,554.</u> =====

FORM 990, PART I - COST OF GOODS SOLD

=====

INVENTORY AT BEGINNING OF YEAR .....	NONE
PURCHASES .....	1,806,655.
SALARIES AND WAGES .....	
OTHER COSTS .....	
	-----
SUBTOTAL .....	1,806,655.
MINUS ENDING INVENTORY .....	744,112.
	-----
COST OF GOODS SOLD .....	1,062,543.
	=====



FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

=====

DESCRIPTION	AMOUNT
-----	-----
CHANGE IN UNREALIZED GAIN/LOSS	116,981.
SECTION 481(A) ADJUSTMENT	25,544,449.
	-----
TOTAL	25,661,430.
	=====

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES

=====

DESCRIPTION	AMOUNT
-----	-----
TRANSFER OF FUNDS FROM HIV/AIDS FDNTN.	641,501.
TOTAL	-----
	641,501.
	=====

FORM 990, PART II - GRANTS AND ALLOCATIONS PAID DURING THE YEAR

=====

RECIPIENT NAME AND ADDRESS -----	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT -----	PURPOSE OF GRANT OR CONTRIBUTION -----	AMOUNT -----
GRANTS PAID =====			
MILLER CENTER FOUNDATION 2201 OLD IVY ROAD CHARLOTTESVILLE, VA 22904	NONE EXEMPT	CHARITABLE	172,700.
CLINTON FOUNDATION AIDS INITIATIVE P.O. BOX 1104 LITTLE ROCK, AR 72203	SUPPORT ORGANIZATION EXEMPT	CHARITABLE	17,855.
BUSH-CLINTON KATRINA FUND	NONE EXEMPT	CHARITABLE	15,000.
		TOTAL CONTRIBUTIONS PAID	----- 205,555. =====

FORM 990, PART II - OTHER EXPENSES

=====

DESCRIPTION -----	TOTAL -----	PROGRAM SERVICES -----	MANAGEMENT AND GENERAL -----	FUNDRAISING -----
PROV FOR UNCOLLECTIBLE PLEDGES	110,718.	399.	1,661.	108,658.
CONSULTING FEES	1,669,745.	388,879.	353,579.	927,287.
REPAIRS AND MAINTENANCE	629,845.	542,720.	87,125.	
OTHER FUNDRAISING	463,994.			463,994.
MEDIA & PHOTOGRAPHY EXPENSE	108,452.	50,539.		57,913.
BANK FEES	102,061.	51,281.	330.	50,450.
MINOR OFFICE EQUIPMENT	72,441.	51,912.	12,954.	7,575.
EVENT EXPENSE	580,867.	528,973.	34,255.	17,639.
LIBRARY ADMISSIONS	64,501.	64,501.		
SECURITY	88,209.	74,978.	13,231.	
MISCELLANEOUS EXPENSE	185,405.	112,797.	8,075.	64,533.
CLINTON GLOBAL INITIATIVE CONF	8,312,538.	8,312,538.		
TOTALS	12,388,776.	10,179,517.	511,210.	1,698,049.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

=====

PRESIDENT CLINTON ESTABLISHED THE WILLIAM J. CLINTON FOUNDATION WITH THE DUAL MISSIONS OF CONSTRUCTING AND ENDOWING THE CLINTON PRESIDENTIAL CENTER AND PARK IN LITTLE ROCK, ARKANSAS AND CONTINUING THE WORK OF HIS PRESIDENCY TO STRENGTHEN THE CAPACITY OF PEOPLE IN THE UNITED STATES AND THROUGHOUT THE WORLD TO MEET THE CHALLENGES OF GLOBAL INTERDEPENDENCE. TO ADVANCE THE MISSION THE FOUNDATION HAS DEVELOPED PROGRAMS AND PARTNERSHIPS IN THE FOLLOWING AREAS:

- ECONOMIC EMPOWERMENT
- HEALTH SECURITY WITH AN EMPHASIS ON HIV/AIDS
- RACIAL, ETHNIC AND RELIGIOUS RECONCILIATION
- LEADERSHIP DEVELOPMENT AND CITIZEN SERVICE

FORM 990, PART IV - INVESTMENTS - SECURITIES

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
EQUITY SECURITIES	648,723.	181,750.
CERTIFICATES OF DEPOSIT	NONE	100,000.
ENDOWMENTS	NONE	102,814.
	-----	-----
TOTALS	648,723.	384,564.
	=====	=====

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE  
 =====

LENDER: TITANIUM ACQUISITION CORPORATION  
 ORIGINAL AMOUNT: 10,000,000.  
 INTEREST RATE: 2.480000  
 DATE OF NOTE: 12/14/2004  
 MATURITY DATE: 03/14/2005  
 REPAYMENT TERMS: PRINCIPAL AND INTEREST PAYABLE AT MATURITY  
 SECURITY PROVIDED: NONE  
 PURPOSE OF LOAN: SHORT-TERM FINANCING

BEGINNING BALANCE DUE .....	10,000,000.
ENDING BALANCE DUE .....	NONE
	-----

LENDER: METROPOLITAN NATIONAL BANK  
 ORIGINAL AMOUNT: 1,980,000.  
 INTEREST RATE: 4.950000  
 DATE OF NOTE: 02/20/2004  
 MATURITY DATE: 01/20/2009  
 REPAYMENT TERMS: ONLY INTEREST PAYABLE UNTIL 2/20/2005  
 SECURITY PROVIDED: PROPERTY  
 PURPOSE OF LOAN: MUSEUM STORE REMODEL

BEGINNING BALANCE DUE .....	1,980,000.
ENDING BALANCE DUE .....	1,925,440.
	-----

LENDER: BANK OF AMERICA- LINE OF CREDIT  
 ORIGINAL AMOUNT: 26,499,870.  
 INTEREST RATE: 4.170000  
 DATE OF NOTE: 02/20/2004  
 MATURITY DATE: 05/15/2006  
 REPAYMENT TERMS: PRINCIPAL AND INTEREST PAYABLE 5/15/2006  
 SECURITY PROVIDED: PLEDGES RECEIVABLE  
 PURPOSE OF LOAN: CONSTRUCTION

BEGINNING BALANCE DUE .....	26,499,870.
ENDING BALANCE DUE .....	14,900,000.
	-----

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	38,479,870.
	=====

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	16,825,440.
	=====

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

DESCRIPTION -----	AMOUNT -----
MUSEUM STORE COST OF GOODS SOLD NETTED WITH SALES PER RETURN INCLUDED WITH EXPENSES PER BOOK	1,062,543.
TOTAL	----- 1,062,543. =====



FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

DESCRIPTION -----	AMOUNT -----
MUSEUM STORE COST OF GOODS SOLD NETTED WITH SALES PER RETURN INCLUDED IN EXPENSES PER BOOK	1,062,543.
TOTAL	----- 1,062,543. =====

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
JAMES L. "SKIP" RUTHERFORD P.O. BOX 1104 LITTLE ROCK, AR 72203	DIRECTOR 2			
TERENCE MCAULIFFE P.O. BOX 1104 LITTLE ROCK, AR 72203	DIRECTOR 2			
CHERYL MILLS P.O. BOX 1104 LITTLE ROCK, AR 72203	DIRECTOR 2			
BRUCE R. LINDSEY P.O. BOX 1104 LITTLE ROCK, AR 72203	CEO 50	200,000.	19,538.	
ANDREW KESSEL P.O. BOX 1104 LITTLE ROCK, AR 72203	CFO 50	125,000.	19,000.	
STEPHANIE S. STREETT P.O. BOX 1104 LITTLE ROCK, AR 72203	EXECUTIVE DIRECTOR 50	112,000.	20,220.	
LAURA A GRAHAM P.O. BOX 1104 LITTLE ROCK, AR 72203	CHIEF OF STAFF 50	74,161.	7,500.	
	GRAND TOTALS	511,161.	66,258.	

-----  
=====

FORM 990, PART VI - CHANGES TO ORGANIZING OR GOVERNING DOCUMENT

=====

THE WILLIAM J. CLINTON PRESIDENTIAL FOUNDATION AMENDED AND RESTATED  
THE BYLAWS EFFECTIVE APRIL 25, 2005.

FORM 990, PART VI, LINE 90A - STATES

=====

AL, AK, AZ, AR, CA, CO, CT, FL, GA,  
IL, IN, KS, KY, ME, MD, MA, MI, MS, NH, NJ, NM,  
NY, NC, ND, OH, OK, OR, PA, RI, SC, TN, UT, VT, VA, WA, WV, WI,

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

=====

LINE NO.	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES
---	-----
102	REVENUE FROM THE SALE OF MERCHANDISE FROM THE MUSEUM STORE SUPPORTS RESEARCH AND EDUCATIONAL ACTIVITIES ON POLICY AND HISTORICAL ISSUES RELATED TO THE LIFE AND WORK OF PRESIDENT CLINTON.
103B	REVENUE FROM THE MUSEUM LIBRARY ADMISSIONS ALLOWS THE ORGANIZATION TO SUPPORT RESEARCH AND EDUCATIONAL ACTIVITIES ON POLICY AND HISTORICAL ISSUES RELATED TO THE LIFE AND WORK OF PRESIDENT CLINTON.

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS
EUGENIE BISULCO 245 W. 120TH STREET NEW YORK, NY 10027	DIRECTOR 50	79,114.	10,650.
HANNAH L. RICHERT 201 E. 12TH STREET NEW YORK, NY 10003	DIRECTOR 50	79,114.	7,500.
ERIC NONACS 449A SACKETT STREET BROOKLYN, NY 11231	ADVISOR 50	109,346.	19,700.
JAMES E KENNEDY 1160 FIFTH AVENUE #104 NEW YORK, NY 10029	COMMUNICATIONS DIREC 50	72,511.	5,700.
SHANNON TANNER 6518 ALLWOOD DRIVE NORTH LITTLE ROCK, AR 72118	COMPTRROLLER 50	80,000.	14,300.
TOTAL COMPENSATION		420,085.	57,850.

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.  
=====

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
PHELPS PROGRAM MANAGEMENT, LLC 420 SIXTH AVENUE GREELEY, CO 80631	CONSULTING	2,092,738.
POLSHEK PARTNERSHIP 320 WEST 13TH STREET NEW YORK, NY 10014	ARCHITECT	727,242.
RALPH APPELBAUM 133 SPRING STREET NEW YORK, NY 10012	DESIGNER	595,979.
O'BRIEN MCCONNELL PEARSON 1726 M STREET, NW, SUITE 300 WASHINGTON, DC 20036-4502	FUNDRAISER	552,881.
PUBLISUS EVENTS USA, INC. 825 EIGTON AVENUE NEW YORK, NY 10019	EVENT PRODUCER	2,750,000.
	TOTAL COMPENSATION	----- 6,718,840. =====

SCH. A, PART II-B COMPENSATION OF THE 5 HIGHEST PAID FOR OTHER SERV.  
=====

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
CDI CONTRACTORS, INC 3000 CANTRELL RD LITTLE ROCK, AR 72202	CONSTRUCTION	10,574,736.
G & C EQUIPMENT P.O. BOX 5419 GARDENA, CA 90249	CONSTRUCTION	998,103.
MALTBIE, INC. 708 FELLOWSHIP ROAD MOUNT LAUREL, NY 08054	CABINET MAKERS	790,485.
SUNDIAL MANAGEMENT & CONSTRUCTION CORP 1304 WRIGHT AVENUE, SUITE B LITTLE ROCK, AR 72206	CONSTRUCTION	750,120.
DOYNE CONSTRUCTION CO., INC 719 N. MAIN STREET NORTH LITTLE ROCK, AR 72119-5820	CONSTRUCTION	615,779.
	TOTAL COMPENSATION	----- 13,729,223. =====



SCHEDULE A, PART IV-A - OTHER INCOME

=====

DESCRIPTION -----	2004 -----	2003 -----	2002 -----	2001 -----	TOTAL -----
ROYALTIES	NONE	34,001.	34,809.	NONE	68,810.
LIST RENTAL	108,085.				108,085.
	-----	-----	-----	-----	-----
TOTALS	108,085.	34,001.	34,809.	NONE	176,895.
	=====	=====	=====	=====	=====

WILLIAM J. CLINTON FOUNDATION  
 Schedule D Detail of Short-term Capital Gains and Losses

31-1580204

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Short-term Gain/Loss
<b>CAPITAL GAINS (LOSSES) FROM SECURITIES</b>					
5003 SH DIGITAS INC	05/11/2005	05/12/2005	49,433.	49,780.	-347.
130 SH RELIANCE STEEL & ALUMINUM CO	07/18/2005	07/27/2005	5,831.	5,010.	821.
16407 SH CINTAS CORP	08/01/2005	08/02/2005	722,782.	728,963.	-6,181.
18857 SH CITIGROUP INC	08/01/2005	08/02/2005	824,240.	824,051.	189.
8921 SH COCA COLA CO	08/01/2005	08/02/2005	393,026.	391,364.	1,662.
19200 SH COLGATE-PALMOLIVE CO	08/01/2005	08/02/2005	1,015,082.	1,018,560.	-3,478.
32000 SH COMMERCEBANCORP INC	08/01/2005	08/02/2005	1,069,832.	1,080,640.	-10,808.
7318 SH COSTCO WHOLESALE CORP	08/01/2005	08/02/2005	333,499.	333,994.	-495.
20000 SH ELECTRONIC DATA SYS CORP NEW	08/01/2005	08/02/2005	412,398.	413,400.	-1,002.
8700 SH EMERSON ELECTRIC CO.	08/01/2005	08/02/2005	599,609.	572,460.	27,149.
14220 SH EQUITY RESIDENTIAL PROPERTIES TRUST	08/01/2005	08/02/2005	573,809.	571,075.	2,734.
11400 SH GENERAL MILLS INC.	08/01/2005	08/02/2005	537,630.	539,334.	-1,704.
9400 SH GUIDANT CORPORATION	08/01/2005	08/02/2005	672,170.	670,408.	1,762.
23000 SH HOME DEPOT INCORPORATED	08/01/2005	08/02/2005	975,320.	985,780.	-10,460.
17800 SH KELLOGG CO	08/01/2005	08/02/2005	798,765.	801,000.	-2,235.
16000 SH LOWES COMPANIES INC	08/01/2005	08/02/2005	1,048,617.	1,057,760.	-9,143.
2500 SH NOKIA CORP SPONS ADR	08/01/2005	08/02/2005	39,906.	39,825.	81.
21 SH WAL-MART STORES INC	08/10/2005	08/23/2005	970.	1,026.	-56.
<b>TOTAL CAPITAL GAINS (LOSSES) FROM SECURITIES</b>			<b>10,072,919.</b>	<b>10,084,430.</b>	<b>-11,511.</b>
<b>CAPITAL GAINS (LOSSES) FROM OTHER ASSETS</b>					
REAL ESTATE	04/25/2004	02/14/2005	172,294.	172,294.	
<b>TOTAL CAPITAL GAINS (LOSSES) FROM OTHER ASSETS</b>			<b>172,294.</b>	<b>172,294.</b>	
<b>Totals</b>			<b>10,245,213.</b>	<b>10,256,724.</b>	<b>-11,511.</b>



EIN: 31-1580204  
FYE:

FORM 990, PART II, LINE 42 - DEPRECIATION

---

<u>Description</u>	<u>Current Depreciation</u>
Land Improvements	
Buildings	3,301,906.
Leasehold Improvements	
Equipment	307,596.
Furniture & Fixtures	
Total Depreciation Expense	<u>3,609,502.</u>
Amortization Expense	
<b>Total Depreciation &amp; Amortization line 42</b>	<u><u>3,609,502.</u></u>

NOTE: Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

# Application for Change in Accounting Method

Department of the Treasury  
Internal Revenue Service

Name of filer (name of parent corporation if a consolidated group) (see instructions)  <b>WILLIAM J. CLINTON FOUNDATION</b> Number, street, and room or suite no. If a P.O. box, see the instructions. <b>P.O. BOX 1104</b> City or town, state, and ZIP code <b>LITTLE ROCK AR 72203</b>	Identification number (see instructions) <b>31-0580204</b> Principal business activity code number (see instructions) <b>NONE</b> Tax year of change begins (MM/DD/YYYY) <b>01/01/2005</b> Tax year of change ends (MM/DD/YYYY) <b>12/31/2005</b> Name of contact person (see instructions)  Contact person's telephone number <b>501-371-9544</b>
Name of applicant(s) (If different than filer) and identification number(s) (see instructions)	Contact person's telephone number

If the applicant is a member of a consolidated group, check this box  ▶  
 If Form 2848, Power of Attorney and Declaration of Representative, is attached, check this box  ▶

<b>Check the box to indicate the applicant.</b> <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Controlled foreign corporation (Sec. 957) <input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E)) <input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2)) <input checked="" type="checkbox"/> Exempt organization. Enter Code section ▶ <b>501 (C) (3)</b>	<b>Check the appropriate box to indicate the type of accounting method change being requested.</b> (see instructions) <input type="checkbox"/> Depreciation or Amortization <input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions <input type="checkbox"/> Other (specify) ▶ _____
<input type="checkbox"/> Cooperative (Sec. 1381) <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Insurance Co. (Sec. 816(a)) <input type="checkbox"/> Insurance Co. (Sec. 831) <input type="checkbox"/> Other (specify) ▶ _____	

**Caution:** The applicant must provide the requested information to be eligible for approval of the requested accounting method change. The applicant may be required to provide information specific to the accounting method change such as an attached statement. The applicant must provide all information relevant to the requested accounting method change even if not specifically requested by the Form 3115.

Part I Information For Automatic Change Request	Yes	No
1 Enter the requested designated accounting method change number from the <b>List of Automatic Accounting Method Changes</b> (see instructions). Enter only one method change number, except as provided for in the instructions. If the requested change is not included in that list, check "Other," and provide a description. ▶ (a) Change No. <u>30</u> (b) Other <input type="checkbox"/> Description ▶ _____		
2 Is the accounting method change being requested one for which the scope limitations of section 4.02 of Rev. Proc. 2002-9 (or its successor) <b>do not</b> apply? . . . . . If "Yes," go to Part II.		<b>X</b>
3 Is the tax year of change the final tax year of a trade or business for which the taxpayer would be required to take the entire amount of the section 481(a) adjustment into account in computing taxable income? . . . . . If "Yes," the applicant is not eligible to make the change under automatic change request procedures.		<b>X</b>

**Note:** Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

Part II Information For All Requests	Yes	No
4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? . . . . . If you answered "No," go to line 5.		<b>X</b>
b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)? . . . . .		<b>X</b>

**Signature (see instructions)**

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

Filer _____ Signature and date  _____ Name and title (print or type)	Preparer (other than filer/applicant) _____ Signature of individual preparing the application and date  _____ Name of individual preparing the application (print or type)  _____ Name of firm preparing the application
---	--

<b>Part II Information For All Requests (continued)</b>		Yes	No
<b>4 c</b>	Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)? . . . . .		X
<b>d</b>	Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? . . . . . If "Yes," attach the consent statement from the director.		X
<b>e</b>	Is the request to change the method of accounting being filed under the 90-day or 120-day window period? . If "Yes," check the box for the applicable window period and attach the required statement (see instructions). <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day		X
<b>f</b>	If you answered "Yes," to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination. Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		
<b>g</b>	Has a copy of this Form 3115 been provided to the examining agent identified on line 4f? . . . . .		X
<b>5 a</b>	Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? . . . . . If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, and the tax year(s) before Appeals and/or a Federal court. Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		X
<b>b</b>	Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a? . . . . .		X
<b>c</b>	Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member)? . . . . . If "Yes," attach an explanation.		X
<b>6</b>	If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, provide each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.		
<b>7</b>	If the applicant is an entity (including a limited liability company) treated as a partnership or S corporation for Federal income tax purposes, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member or shareholder of that entity? . . . . . If "Yes," the applicant is <b>not</b> eligible to make the change.		X
<b>8</b>	Is the applicant making a change to which audit protection does not apply (see instructions)? . . . . .		X
<b>9 a</b>	Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in accounting method within the past 5 years (including the year of the requested change)? . . . . .		X
<b>b</b>	If "Yes," attach a description of each change and the year of change for each separate trade or business and whether consent was obtained.		
<b>c</b>	If any application was withdrawn, not perfected, or denied, or if a Consent Agreement was sent to the taxpayer but was not signed and returned to the IRS, or if the change was not made or not made in the requested year of change, include an explanation.		
<b>10 a</b>	Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in accounting method, or technical advice? . . . . .		X
<b>b</b>	If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in accounting method, or technical advice), and the specific issue(s) in the request(s).		
<b>11</b>	Is the applicant requesting to change its <b>overall</b> method of accounting? . . . . . If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of the form.	X	
	<b>Present method:</b> <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		
	<b>Proposed method:</b> <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		
<b>12</b>	If the applicant is <b>not</b> changing its overall method of accounting, attach a detailed and complete description for each of the following: <b>a</b> The item(s) being changed. <b>b</b> The applicant's present method for the item(s) being changed. <b>c</b> The applicant's proposed method for the item(s) being changed. <b>d</b> The applicant's present overall method of accounting (cash, accrual, or hybrid).		

<b>Part II Information For All Requests (continued)</b>			<b>Yes</b>	<b>No</b>
<b>13</b>	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.			
		<b>STMT 1</b>		
<b>14</b>	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . If "No," attach an explanation.		<input checked="" type="checkbox"/>	
<b>15 a</b>	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . .		<input checked="" type="checkbox"/>	
<b>b</b>	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application. <b>SEE STATEMENT 1</b>			
<b>16</b>	Does the applicant request a <b>conference of right</b> with the IRS National Office if the IRS proposes an adverse response? . . . . .		<input checked="" type="checkbox"/>	
<b>17</b>	If the applicant is changing to or from the cash method or changing its method of accounting under sections 263A, 448, 460, or 471, enter the gross receipts of the 3 tax years preceding the year of change.			
	1st preceding year ended: mo. yr.	2nd preceding year ended: mo. yr.	3rd preceding year ended: mo. yr.	
	\$	\$	\$	

<b>Part III Information For Advance Consent Request</b>			<b>Yes</b>	<b>No</b>
<b>18</b>	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.			
<b>19</b>	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. The applicant should include a discussion of any authorities that may be contrary to its use of the proposed method.			
<b>20</b>	Attach a copy of all documents related to the proposed change (see instructions).			
<b>21</b>	Attach a statement of the applicant's reasons for the proposed change.			
<b>22</b>	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? . . . . . If "No," attach an explanation.			
<b>23 a</b>	Enter the amount of <b>user fee</b> attached to this application (see instructions). ▶ \$ _____			
<b>b</b>	If the applicant qualifies for a reduced user fee, attach the necessary information or certification required by Rev. Proc. 2003-1 (or its successor) (see instructions).			

<b>Part IV Section 481(a) Adjustment</b>			<b>Yes</b>	<b>No</b>
<b>24</b>	Do the procedures for the accounting method change being requested require the use of the cut-off method? . . . . . If "Yes," do not complete lines 25, 26, and 27 below.			<input checked="" type="checkbox"/>
<b>25</b>	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ \$ <u>25,544,449</u> . Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant. <b>SEE STATEMENT 1</b>			
<b>26</b>	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change? . . . . .			
<b>27</b>	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? . . . . . If "Yes," attach an explanation.			<input checked="" type="checkbox"/>

**Schedule A - Change in Overall Method of Accounting** (If Schedule A applies, Part I below must be completed.)

**Part I Change in Overall Method** (see instructions)

1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

	Amount
a Income accrued but not received. . . . . <b>SEE STATEMENT 2</b> . . . . .	25,504,038.
b Income received or reported before it was earned. Attach a description of the income and the legal basis for the proposed method . . . . .	
c Expenses accrued but not paid . . . . . <b>SEE STATEMENT 2</b> . . . . .	-11,878,696.
d Prepaid expenses previously deducted . . . . .	
e Supplies on hand previously deducted and/or not previously reported . . . . .	
f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II . . . *	562,146.
g Other amounts (specify) ▶ <b>SEE STATEMENT 2</b> . . . . .	11,356,961.
h <b>Net section 481(a) adjustment</b> (Combine lines 1a-1g.) . . . . .	25,544,449.

- 2 Is the applicant also requesting the recurring item exception under section 461(h)(3)? . . . . .  Yes  No
- 3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. On a separate sheet, state the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, explain the differences on a separate sheet.

**Part II Change to the Cash Method For Advance Consent Request** (see instructions)

Applicants requesting a change to the cash method must attach the following information:

- 1 A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- 2 An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations. \*\*

**Schedule B - Change in Reporting Advance Payments** (see instructions)

- 1 If the applicant is requesting to defer advance payment for services under Rev. Proc. 71-21, 1971-2 C.B. 549, attach the following information:
- a Sample copies of all service agreements used by the applicant that are subject to the requested change in accounting method. Indicate the particular parts of the service agreement that require the taxpayer to perform services.
  - b If any parts or materials are provided, explain whether the obligation to provide parts or materials is incidental (of minor or secondary importance) to an agreement providing for the performance of personal services.
  - c If the change relates to contingent service contracts, explain how the contracts relate to merchandise that is sold, leased, installed, or constructed by the applicant and whether the applicant offers to sell, lease, install, or construct without the service agreement.
  - d A description of the method the applicant will use to determine the amount of income earned each year on service contracts and why that method clearly reflects income earned and related expenses in each year.
  - e An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records. See section 3.11 of Rev. Proc. 71-21.
- 2 If the applicant is requesting a deferral of advance payments for goods under Regulations section 1.451-5, attach the following information:
- a Sample copies of all agreements for goods or items requiring advance payments used by the applicant that are subject to the requested change in accounting method. Indicate the particular parts of the agreement that require the applicant to provide goods or items.
  - b A statement providing that the entire advance payment is for goods or items. If not entirely for goods or items, a statement that an amount equal to 95% of the total contract price is properly allocable to the obligation to provide activities described in Regulations section 1.451-5(a)(1)(i) or (ii) (including services as an integral part of those activities).
  - c An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records. See Regulations section 1.451-5(b)(1).

\* SEE STATEMENT 2

\*\*



**Schedule C - Changes Within the LIFO Inventory Method** (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all **Forms 970, Application To Use LIFO Inventory Method**, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
  - a Valuing inventory (e.g., unit method or dollar-value method).
  - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, etc.).
  - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
  - d Determining the current year cost of goods in the ending inventory (e.g., most recent purchases, earliest acquisitions during the year, average cost of purchases during the year, etc.).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, specify the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, specify the LIFO pool(s) to which the change is applicable. \*
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, the applicant should identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970 and a statement indicating the indexes, tables, and categories the applicant proposes to use.

**Part II Change in Pooling Inventories**

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
  - a A description of the types of products produced by the applicant. If possible, attach a brochure.
  - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
  - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, the applicant should explain the reasons for the separate facilities, indicate the location of each facility, and provide a description of the products each facility produces.
  - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
  - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
  - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
  - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

\*

Form 3115 (Rev. 12-2003)

Schedule D - Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets (see instructions)

Part I Change in Reporting Income From Long-Term Contracts (Also complete Part III on pages 7 and 8.)

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts.
2 a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)?
b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)?
c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)?
d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)?
3 a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)?
b If "Yes," explain the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
c Describe the applicant's manufacturing activities, including any required installation of manufactured goods.
4 To determine a contract's completion factor using the percentage-of-completion method:
a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)?
b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))?
5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

Part II Change in Valuing Inventories Including Cost Allocation Changes (Also complete Part III on page 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
2 Attach a description of the inventory goods (if any) NOT being changed.
3 If the applicant is subject to section 263A, is its present inventory valuation method in compliance with section 263A (see instructions)?

4 a Check the appropriate boxes below.

Identification methods:

- Specific identification
FIFO
LIFO
Other (attach explanation)

Valuation methods:

- Cost
Cost or market, whichever is lower
Retail cost
Retail, lower of cost or market
Other (attach explanation)

b Enter the value at the end of the tax year preceding the year of change

5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).

- a Copies of Form(s) 970 filed to adopt or expand the use of the method.
b Only for applicants requesting advance consent. A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
c Only for applicants requesting an automatic change. Attach the statement required by section 10.01(4) of the Appendix of Rev. Proc. 2002-9 (or its successor).

Table with 3 columns: Inventory Being Changed (Present Method, Proposed Method), Inventory Not Being Changed (Present Method). Rows correspond to identification and valuation methods.

**Part III Method of Cost Allocation** (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions).)

**Section A - Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

**Section B - Direct and Indirect Costs Required To Be Allocated** (Check the appropriate boxes in Section B showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.)

	Present method	Proposed method
1 Direct material . . . . .		
2 Direct labor . . . . .		
3 Indirect labor . . . . .		
4 Officers' compensation (not including selling activities) . . . . .		
5 Pension and other related costs . . . . .		
6 Employee benefits . . . . .		
7 Indirect materials and supplies . . . . .		
8 Purchasing costs . . . . .		
9 Handling, processing, assembly, and repackaging costs . . . . .		
10 Offsite storage and warehousing costs . . . . .		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle . . . . .		
12 Depletion . . . . .		
13 Rent . . . . .		
14 Taxes other than state, local, and foreign income taxes . . . . .		
15 Insurance . . . . .		
16 Utilities . . . . .		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity . . . . .		
18 Engineering and design costs (not including section 174 research and experimental expenses) . . . . .		
19 Rework labor, scrap, and spoilage . . . . .		
20 Tools and equipment . . . . .		
21 Quality control and inspection . . . . .		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant . . . . .		
23 Licensing and franchise costs . . . . .		
24 Capitalizable service costs (including mixed service costs) . . . . .		
25 Administrative costs (not including any costs of selling or any return on capital) . . . . .		
26 Research and experimental expenses attributable to long-term contracts . . . . .		
27 Interest . . . . .		
28 Other costs (Attach a list of these costs.) . . . . .		

Part III Method of Cost Allocation (see instructions) (continued)

Schedule C - Other Costs Not Required To Be Allocated (Complete Section C only if the applicant is requesting to change its method for these costs.)

Table with 3 columns: Line number, Description, Present method, Proposed method. Rows include Marketing, selling, advertising, and distribution expenses; Research and experimental expenses; Bidding expenses; General and administrative costs; Income taxes; Cost of strikes; Warranty and product liability costs; Section 179 costs; On-site storage; Depreciation, amortization, and cost recovery allowance; Other costs.

Schedule E - Change in Depreciation or Amortization (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants must provide this information for each item or class of property for which a change is requested.

Note: See the List of Automatic Accounting Method Changes in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)?
2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)?
3 Has a depreciation or amortization election been made for the property (e.g., the election under section 168(f)(1))?
4 a To the extent not already provided, attach a statement describing the property being changed.
b If the property is residential rental property, did the applicant live in the property before renting it?
c Is the property public utility property?
5 To the extent not already provided in the applicant's description of its present method, explain how the property is treated under the applicant's present method.
6 If the property is not currently treated as depreciable or amortizable property, provide the facts supporting the proposed change to depreciate or amortize the property.
7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information under both the present (if applicable) and proposed methods:
a The Code section under which the property is or will be depreciated or amortized.
b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
c The facts to support the asset class for the proposed method.
d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
e The useful life, recovery period, or amortization period of the property.
f The applicable convention of the property.

FORM 3115, PAGE 3 DETAIL

## LINE 13, DESCRIPTION OF TRADE OR BUSINESS

-----  
 THE APPLICANT IS A TAX EXEMPT NOT-FOR-PROFIT ORGANIZATION. THE  
 PRIMARY INCOME IS FROM CONTRIBUTIONS. THE ORGANIZATION ALSO EARNS  
 REVENUE FROM ADMISSIONS TO THE WILLIAM J. CLINTON PRESIDENTIAL  
 LIBRARY AND FROM SALE OF RELATED ITEMS IN ITS MUSEUM STORE.

## LINE 15B, METHODS USED BY PARTIES TO SECTION 381(A) TRANSACTION

-----  
 THE CLINTON FOUNDATION HIV/AIDS INITIATIVE WAS MERGED INTO THE  
 WILLIAM J. CLINTON FOUNDATION AS OF DECEMBER 31, 2005. THIS  
 ENTITY WAS USING THE ACCRUAL METHOD OF ACCOUNTING.

## LINE 25, SUMMARY OF SECTION 481(A) COMPUTATION

-----  
 PLEDGES AND ACCOUNTS RECEIVABLE - \$25,504,038  
 INVESTMENTS - (453,514)  
 INVENTORY - 562,146  
 FIXED ASSETS - 11,810,475  
 ACCOUNTS PAYABLE (11,878,696)  
 -----  
 TOTAL 25,544,449

FORM 3115, PAGE 4 DETAIL

PART I, LINE 1A, INCOME ACCRUED BUT NOT RECEIVED

-----  
ACCOUNTS AND PLEDGES RECEIVABLE

25,504,038.

TOTAL

-----  
25,504,038.  
=====

PART I, LINE 1C, EXPENSES ACCRUED BUT NOT PAID

-----  
ACCOUNTS PAYABLE

-11,878,696.

TOTAL

-----  
-11,878,696.  
=====

PART I, LINE 1F, INVENTORY ON HAND PREVIOUSLY DEDUCTED

-----  
INVENTORY

562,146.

TOTAL

-----  
562,146.  
=====

PART I, LINE 1G, OTHER AMOUNTS

-----  
INVESTMENTS  
FIXED ASSETS

-453,514.

11,810,475.

TOTAL

-----  
11,356,961.  
=====