

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)

2005

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2005 calendar year, or tax year beginning **OCT 1, 2005** and ending **SEP 30, 2006**

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

C Name of organization
BATTELLE MEMORIAL INSTITUTE
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
505 KING AVENUE
 City or town, state or country, and ZIP + 4
COLUMBUS, OH 43201-2693

D Employer identification number
31-4379427

E Telephone number
(614) 424-4372

F Accounting method: Cash Accrual
 Other (specify) ▶

• 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.BATTELLE.ORG**

J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **4,449,852,876.**

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶ **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶ **N/A**
M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support	1a		
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c	2999298954.	
	d	Total (add lines 1a through 1c) (cash \$ 2999298954. noncash \$)	1d		2999298954.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		771,635,423.
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		3,614,428.
	5	Dividends and interest from securities	5		8,336,250.
	6a	Gross rents	6a	2,545,754.	
	b	Less: rental expenses	6b	2,358,954.	
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		186,800.
7	Other investment income (describe)	7			
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
			653,041,345.	8a 86,239.	
	b	Less: cost or other basis and sales expenses	640,932,660.	8b 274,797.	
	c	Gain or (loss) (attach schedule)	12,108,685.	8c -188,558.	
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	STMT 3	STMT 4	8d	11,920,127.
Revenue	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a		
	b	Less: direct expenses other than fundraising expenses	9b		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
Revenue	10a	Gross sales of inventory, less returns and allowances	10a		
	b	Less: cost of goods sold	10b		
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
	11	Other revenue (from Part VII, line 103)	11		11,294,483.
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		3806286465.
Expenses	13	Program services (from line 44, column (B))	13		3014205959.
	14	Management and general (from line 44, column (C))	14		751,062,879.
	15	Fundraising (from line 44, column (D))	15		
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 16 and 44, column (A))	17		3765268838.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		41,017,627.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		734,331,650.
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 5	20		-16,826,961.
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		758,522,316.

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) ... (cash \$ <u>9925703.</u> noncash \$ <u>28,739.</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	22 9,954,442.	9,954,442.	STATEMENT 8 STATEMENT 9 STATEMENT 10	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc. * *	25 10,509,670.	8,407,736.	2,101,934.	0.
26 Other salaries and wages	26 1578204086.	1262563269.	315,640,817.	
27 Pension plan contributions	27 62,982,959.	50,386,367.	12,596,592.	
28 Other employee benefits	28 204,637,016.	163,709,613.	40,927,403.	
29 Payroll taxes	29 95,548,377.	76,438,702.	19,109,675.	
30 Professional fundraising fees	30			
31 Accounting fees	31 970,099.	776,079.	194,020.	
32 Legal fees	32 8,566,651.	6,853,321.	1,713,330.	
33 Supplies	33 77,523,493.	62,018,794.	15,504,699.	
34 Telephone	34 11,480,705.	9,184,564.	2,296,141.	
35 Postage and shipping	35 11,629,237.	9,303,390.	2,325,847.	
36 Occupancy	36 68,169,149.	54,535,319.	13,633,830.	
37 Equipment rental and maintenance	37 40,691,849.	32,553,479.	8,138,370.	
38 Printing and publications	38 2,934,890.	2,347,912.	586,978.	
39 Travel	39 83,784,554.	67,027,643.	16,756,911.	
40 Conferences, conventions, and meetings ...	40			
41 Interest	41 8,368,720.	6,694,976.	1,673,744.	
42 Depreciation, depletion, etc. (attach schedule)	42			
43 Other expenses not covered above (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g SEE STATEMENT 6	43g 1489312941.	1191450353.	297,862,588.	
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 3765268838.	3014205959.	751,062,879.	0.

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 \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

** SEE STATEMENT 7

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► SEE STATEMENT 12	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a SEE STATEMENT 11 	
(Grants and allocations \$ 9,954,442.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	3014205959.
b 	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c 	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d 	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	3014205959.

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45	Cash - non-interest-bearing	13,194,825.	45	34,828,030.
	46	Savings and temporary cash investments	16,414,450.	46	5,150,538.
	47 a	Accounts receivable	47a 253,834,538.		
	b	Less: allowance for doubtful accounts	47b 9,430,362.	233,439,518.	47c 244,404,176.
	48 a	Pledges receivable	48a		
	b	Less: allowance for doubtful accounts	48b		48c
	49	Grants receivable			49
	50	Receivables from officers, directors, trustees, and key employees			50
	51 a	Other notes and loans receivable	51a 3,587,682.		
	b	Less: allowance for doubtful accounts	51b	5,040,692.	51c 3,587,682.
	52	Inventories for sale or use		5,742,729.	52 7,483,371.
	53	Prepaid expenses and deferred charges		16,816,799.	53 18,355,864.
	54	Investments - securities STMT 13 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		383,156,797.	54 384,826,267.
	55 a	Investments - land, buildings, and equipment: basis	55a		
	b	Less: accumulated depreciation	55b		55c
56	Investments - other SEE STATEMENT 14		106,820,661.	56 94,049,196.	
57 a	Land, buildings, and equipment: basis	57a 577,628,020.			
b	Less: accumulated depreciation	57b 287,738,613.	259,163,712.	57c 289,889,407.	
58	Other assets (describe ▶ OTHER ASSETS)		24,270,103.	58 30,586,787.	
59	Total assets (must equal line 74). Add lines 45 through 58		1064060286.	59 1113161318.	
Liabilities	60	Accounts payable and accrued expenses	150,456,277.	60	149,013,397.
	61	Grants payable		61	
	62	Deferred revenue	38,117,233.	62	49,854,840.
	63	Loans from officers, directors, trustees, and key employees		63	
	64 a	Tax-exempt bond liabilities		18,374,090.	64a 18,315,993.
	b	Mortgages and other notes payable STMT 15		98,444,000.	64b 105,456,000.
	65	Other liabilities (describe ▶ SEE STATEMENT 16)		24,337,036.	65 31,998,772.
66	Total liabilities. Add lines 60 through 65)		329,728,636.	66 354,639,002.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted		67	
	68	Temporarily restricted		68	
	69	Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.				
	70	Capital stock, trust principal, or current funds	0.	70	0.
	71	Paid-in or capital surplus, or land, building, and equipment fund	0.	71	0.
	72	Retained earnings, endowment, accumulated income, or other funds	734,331,650.	72	758,522,316.
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	734,331,650.	73	758,522,316.	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73		1064060286.	74 1113161318.	

Part V-A Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>	Yes	No
75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 9	75a	X
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) SEE STATEMENT 20	75b	X
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?	75c	X
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?	75d	X

(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
BENJAMIN G. MAIDEN 505 KING AVENUE COLUMBUS, OH 43201	0.	0.	13,778.	0.
ROGER BALLARD 505 KING AVENUE COLUMBUS, OH 43201	0.	66,102.	0.	0.
DOUG OLESEN 505 KING AVENUE COLUMBUS, OH 43201	0.	332,213.	0.	0.
MERWYN VANDERLIND 505 KING AVENUE COLUMBUS, OH 43201	0.	131,575.	0.	0.

Part VI Other Information <i>(See the instructions.)</i>	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS?	77	X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b If "Yes," enter the name of the organization N/A and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a Enter direct or indirect political expenditures. (See line 81 instructions.) 81a 0.	81a	
b Did the organization file Form 1120-POL for this year?	81b	X

