

TAX RETURN FILING INSTRUCTIONS

** FORM 990 PUBLIC DISCLOSURE COPY **

FOR THE YEAR ENDING

OCTOBER 31, 2006

Prepared for	OREGON SHAKESPEARE FESTIVAL ASSOCIATION, INC. P.O. BOX 158 ASHLAND, OR 97520-0158
Prepared by	MCDONALD JACOBS, P.C. 520 SW YAMHILL, STE 500 PORTLAND, OR 97204
Amount due or refund	NOT APPLICABLE
Make check payable to	NOT APPLICABLE
Mail tax return and check (if applicable) to	NOT APPLICABLE
Return must be mailed on or before	NOT APPLICABLE
Special Instructions	THIS COPY OF THE RETURN IS PROVIDED ONLY FOR PUBLIC DISCLOSURE PURPOSES. ANY CONFIDENTIAL INFORMATION REGARDING LARGE DONORS HAS BEEN REMOVED.

Form 990

Return of Organization Exempt From Income Tax

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

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 NOV 1, 2005 and ending OCT 31, 2006

B Check if applicable: C Name of organization OREGON SHAKESPEARE FESTIVAL ASSOCIATION, INC. D Employer identification number 93-0407022 E Telephone number 503 482-2111 F Accounting method: X Accrual

G Website: WWW.OSFASHLAND.ORG H(a) Is this a group return for affiliates? X No H(b) If "Yes," enter number of affiliates N/A H(c) Are all affiliates included? N/A H(d) Is this a separate return filed by an organization covered by a group ruling? X No

I Group Exemption Number N/A J Organization type X 501(c)(3) K Check here if the organization's gross receipts are normally not more than \$25,000.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 24,121,963. M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

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

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Other investment income, Gross amount from sales of assets, Special events, Gross sales of inventory, Other revenue, Total revenue, Program services, Management and general, Fundraising, Payments to affiliates, Total expenses, Excess or (deficit) for the year, Net assets at beginning of year, Other changes in net assets, Net assets at end of year.

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FESTIVAL ASSOCIATION, INC.**

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**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.

<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	
22 Grants and allocations (attach schedule) ... (cash \$ <u>139,791.</u> noncash \$ <u>0.</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	22 139,791.	139,791.	STATEMENT 7		
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc. **	25 470,587.	234,116.		236,471.	0.
26 Other salaries and wages	26 12,731,551.	8,952,798.		3,103,920.	674,833.
27 Pension plan contributions	27 310,462.	175,064.		106,098.	29,300.
28 Other employee benefits	28 1,686,865.	1,274,181.		359,596.	53,088.
29 Payroll taxes	29 1,258,941.	856,200.		337,744.	64,997.
30 Professional fundraising fees	30 61,518.			61,518.	
31 Accounting fees	31 45,614.			45,614.	
32 Legal fees	32 17,242.			17,242.	
33 Supplies	33 263,347.	17,813.		236,100.	9,434.
34 Telephone	34 120,245.	20,862.		95,472.	3,911.
35 Postage and shipping	35 270,816.	7,920.		255,237.	7,659.
36 Occupancy	36 775,709.	267,809.		507,900.	
37 Equipment rental and maintenance	37 42,718.	25,555.		13,982.	3,181.
38 Printing and publications	38 487,578.	798.		475,612.	11,168.
39 Travel	39 498,329.	297,177.		62,653.	138,499.
40 Conferences, conventions, and meetings ...	40				
41 Interest	41 19,960.			19,960.	
42 Depreciation, depletion, etc. (attach schedule)	42 928,756.			928,756.	
43 Other expenses not covered above (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g SEE STATEMENT 5	43g 2,708,045.	3,027,891.	-395,710.	75,864.	
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 22,838,074.	15,297,975.	6,468,165.	1,071,934.	

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

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** SEE STATEMENT 6

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 10	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 8 	
(Grants and allocations \$ 28,483.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
b SEE STATEMENT 9 	
(Grants and allocations \$ 111,309.) 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) ►	

15,297,975.
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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	3,756.	45	3,179.
	46 Savings and temporary cash investments	5,345,116.	46	4,267,126.
	47 a Accounts receivable	1,578,764.		
	b Less: allowance for doubtful accounts		47c	
			1,347,268.	1,578,764.
	48 a Pledges receivable	1,720,795.		
	b Less: allowance for doubtful accounts	51,865.	48c	
			1,105,565.	1,668,930.
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable			
	b Less: allowance for doubtful accounts		51c	
			138,720.	135,749.
	52 Inventories for sale or use		681,542.	787,448.
	53 Prepaid expenses and deferred charges			
	54 Investments - securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	55 a Investments - land, buildings, and equipment: basis			
	b Less: accumulated depreciation		55c	
	56 Investments - other		56	
57 a Land, buildings, and equipment: basis	33,013,250.			
b Less: accumulated depreciation STMT 11	9,285,458.	57c		
		22,138,224.	23,727,792.	
58 Other assets (describe ▶ SEE STATEMENT 12)		27,234,559.	30,658,027.	
59 Total assets (must equal line 74). Add lines 45 through 58		57,994,750.	62,827,015.	
Liabilities	60 Accounts payable and accrued expenses	1,940,982.	60	2,339,590.
	61 Grants payable		61	
	62 Deferred revenue	729,559.	62	626,360.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable STMT 13 STMT 14		64b	
			1,282,550.	1,920,109.
65 Other liabilities (describe ▶		65		
66 Total liabilities. Add lines 60 through 65)		3,953,091.	4,886,059.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	32,059,617.	67	35,340,372.
	68 Temporarily restricted	2,396,361.	68	2,938,380.
	69 Permanently restricted	19,585,681.	69	19,662,204.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		54,041,659.	57,940,956.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		57,994,750.	62,827,015.	

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Part VI Other Information <i>(continued)</i>		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?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b 1,156,785.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
	N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	
	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	
	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?	85g	
	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?	85h	
	N/A		
86	501(c)(7) organizations. 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) organizations. 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	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0.; section 4912 ▶ 0.; section 4955 ▶ 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed ▶ OR		
b	Number of employees employed in the pay period that includes March 12, 2005	90b	353
91 a	The books are in care of ▶ OREGON SHAKESPEARE FESTIVAL INC Telephone no. ▶ 541 482-2111 Located at ▶ 15 SOUTH PIONEER ST., ASHLAND, OR ZIP + 4 ▶ 97520-0158		
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 ▶ N/A		
	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? If "Yes," enter the name of the foreign country ▶ N/A	91c	X
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

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Part VII Analysis of Income-Producing Activities (See the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
Note: Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a PLAYS AND OTHER EVENTS					14,848,789.
b PUBLICATIONS	511140	122,105.			183,199.
c EDUCATIONAL PROGRAMS					316,770.
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	273,133.	
96 Dividends and interest from securities			14	1,345,572.	
97 Net rental income or (loss) from real estate:					
a debt-financed property	531110	-27,948.			
b not debt-financed property			16	-387,886.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a CONCESSIONS			03	303,409.	
b COSTUME RENTAL					-56,708.
c OTHER INCOME					367,875.
d					
e					
104 Subtotal (add columns (B), (D), and (E))		94,157.		1,534,228.	15,659,925.
105 Total (add line 104, columns (B), (D), and (E))					17,288,310.

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).
▼	SEE STATEMENT 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
N/A	%			
	%			
	%			
	%			

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).

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	Signature of officer	Type or print name and title.
Paid Preparer's Use Only	Preparer's signature	Date
	Firm's name (or yours if self-employed), address, and ZIP + 4	Preparer's SSN or PTIN
523163 02-03-06	MCDONALD JACOBS, P.C. 520 SW YAMHILL, STE 500 PORTLAND, OR 97204	EIN
		Phone no. 503 227-0581

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-0047

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

2005

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization	OREGON SHAKESPEARE FESTIVAL ASSOCIATION, INC.	Employer identification number	93 0407022
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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
<u>MALLORY PIERCE</u> PO BOX 158, ASHLAND, OR 97520	DIR. OF MARKETING 40.00	106,860.	12,846.	0.
<u>PETER THOMAS</u> PO BOX 158, ASHLAND, OR 97520	DEVELOP DIR. 40.00	102,135.	8,682.	0.
<u>GERALD ROOS</u> P O BOX 158, MEDFORD, OR 97520	DIR. OF FINANCE 40.00	97,318.	12,394.	0.
<u>RICHARD HAY</u> PO BOX 158, ASHLAND, OR 97520	PRINCIPAL DESIGNER 40.00	94,438.	7,740.	0.
<u>DAVID DREYFOOS</u> P O BOX 158, ASHLAND, OR 97520	PRODUCING DIRECTOR 40.00	94,835.	7,171.	0.
Total number of other employees paid over \$50,000	58			

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
<u>VALIC</u> P.O. BOX 201903, HOUSTON, TX 77216	INVESTMENT COMPANY (PENSION PLAN)	828,682.
<u>EQUITY LEAGUE PENSION</u> 5757 WILSHIRE BLVD., STE 9, LOS ANGELES, CA 90036	ADMINISTRATION	667,737.
<u>CDS PUBLICATIONS</u> DEPT 134001, PO BOX 200134, DALLAS, TX 75320	PRINTING	292,557.
<u>MUSSON THEATRICAL</u> 890 WALSH AVE. , SANTA CLARA, CA 95050	LIGHTING SUPPLY AND REPAIR	243,509.
<u>CLAIMS AND BENEFIT MANAGMENT INC.</u> 6251 SCHAEFER AVE., CHINO, CA 91710	HEALTH PLAN ADMINISTRATION	208,281.
Total number of others receiving over \$50,000 for professional services	24	

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
NONE		
Total number of other contractors receiving over \$50,000 for other services	0	

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

Yes No

Table with 3 columns: Question, Yes, No. Rows include: 1. During the year, has the organization attempted to influence national, state, or local legislation... 2. During the year, has the organization, either directly or indirectly, engaged in any of the following acts... 3a. Do you make grants for scholarships... 3b. Do you have a section 403(b) annuity plan... 3c. During the year, did the organization receive a contribution... 4a. Did you maintain any separate account... 4b. Do you provide credit counseling...

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

- The organization is not a private foundation because it is: (Please check only ONE applicable box.)
5 [] A church, convention of churches, or association of churches.
6 [] A school.
7 [] A hospital or a cooperative hospital service organization.
8 [] A Federal, state, or local government or governmental unit.
9 [] A medical research organization operated in conjunction with a hospital.
10 [] An organization operated for the benefit of a college or university owned or operated by a governmental unit.
11a [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public.
11b [] A community trust.
12 [] An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions...
13 [] An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2).

Provide the following information about the supported organizations. (See page 6 of the instructions.)

Table with 2 columns: (a) Name(s) of supported organization(s), (b) Line number from above. Multiple empty rows for data entry.

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

OREGON SHAKESPEARE

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

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

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	3,528,140.	2,598,066.	4,281,005.	2,536,505.	12,943,716.
16 Membership fees received	2,815,307.	3,062,828.	2,958,638.	2,838,066.	11,674,839.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	14,821,045.	14,304,867.	14,529,191.	13,970,939.	57,626,042.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	1,598,385.	1,334,063.	1,167,369.	812,907.	4,912,724.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge	1,141,881.	1,094,804.	1,060,968.	5,444,684.	8,742,337.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	23,904,758.	22,394,628.	23,997,171.	25,603,101.	95,899,658.
24 Line 23 minus line 17	9,083,713.	8,089,761.	9,467,980.	11,632,162.	38,273,616.
25 Enter 1% of line 23	239,048.	223,946.	239,972.	256,031.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 765,472.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 1,053,656.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 38,273,616.
d Add: Amounts from column (e) for lines: 18 4,912,724. 19 22 26b 1,053,656.					26d 5,966,380.
e Public support (line 26c minus line 26d total)					26e 32,307,236.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 84.4112%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2004) (2003) (2002) (2001)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2004) (2003) (2002) (2001)					
c Add: Amounts from column (e) for lines: 15 16 17 20 21					27c N/A
d Add: Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)	27f N/A				
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			

34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended?	34b	
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		509.
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		0.
38 Total lobbying expenditures (add lines 36 and 37)	38		509.
39 Other exempt purpose expenditures	39		22,912,235.
40 Total exempt purpose expenditures (add lines 38 and 39)	40		22,912,744.
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
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		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		250,000.
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		0.
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		0.

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
45 Lobbying nontaxable amount	1,000,000.				1,000,000.
46 Lobbying ceiling amount (150% of line 45(e))					1,500,000.
47 Total lobbying expenditures	509.				509.
48 Grassroots nontaxable amount	250,000.				250,000.
49 Grassroots ceiling amount (150% of line 48(e))					375,000.
50 Grassroots lobbying expenditures	509.				509.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h .)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h .)			0.

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

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

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

Table with 3 columns: Question, Yes, No. Rows include 51a(i) Cash, a(ii) Other assets, b(i) Sales or exchanges of assets, b(ii) Purchases of assets, b(iii) Rental of facilities, b(iv) Reimbursement arrangements, b(v) Loans or loan guarantees, b(vi) Performance of services, and c Sharing of facilities.

- (i) Cash
(ii) Other assets
b Other transactions:
(i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received: N/A

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

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

b If "Yes," complete the following schedule: N/A

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2005

Name of organization

OREGON SHAKESPEARE
FESTIVAL ASSOCIATION, INC.

Employer identification number

93-0407022

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

LHA 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)

Name of organization OREGON SHAKESPEARE FESTIVAL ASSOCIATION, INC.	Employer identification number 93-0407022
---	---

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 425,300.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 270,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 184,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

FORM 990 PAYMENTS TO AFFILIATES STATEMENT 3

AFFILIATE'S NAME	AFFILIATE'S ADDRESS	AMOUNT
OREGON SHAKESPEARE FESTIVAL ENDOWMENT FUND	PO BOX 158, ASHLAND, OR 97520	
PURPOSE OF PAYMENT		AMOUNT
PASS THROUGH CONTRIBUTIONS TO ENDOWMENT FUND		74,670.
TOTAL TO FORM 990, PART I, LINE 16		74,670.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 4

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON SECURITIES INCREASE IN VALUE OF OREGON SHAKESPEARE FESTIVAL ENDOWMENT FUND	17,508.
	3,423,468.
TOTAL TO FORM 990, PART I, LINE 20	3,440,976.

FORM 990 OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
BANK CARD DISCOUNTS	342,449.		342,449.	
COMPUTER DEVELOP & SUPPLIES	96,433.		96,433.	
CONTINGENCY	96,552.		96,552.	
COSTUMES	259,220.	259,220.		
DISABILITY SERVICES	27,228.		27,228.	
FEEs, DUES & SUBSCRIPTIONS	36,986.		13,049.	23,937.
GRAPHIC DESIGN	10,149.		10,149.	
IN-KIND EXPENSE	37,194.	7,800.	28,049.	1,345.
LIGHTING	61,704.	61,704.		
MEDIA AND PUBLIC RELATIONS	393,922.		393,922.	
MISCELLANEOUS	282,447.	168,646.	106,775.	7,026.
MUSIC	9,941.	9,941.		

PLAY DEVELOPMENT	47,759.	47,759.		
PROPERTIES	70,871.	70,871.		
ROYALTIES	405,883.	405,883.		
SAFETY	1,956.	39.	1,917.	
SCENERY	247,444.	247,444.		
SOUND	17,186.	17,186.		
SUMMER SEMINAR	49,973.	49,973.		
SUNDRY EQUIPMENT	129,673.	67,237.	59,824.	2,612.
TRAINING	36,159.	7,340.	15,799.	13,020.
VOLUNTEER ACTIVITIES	46,916.		46,916.	
ALLOCATED OCCUPANCY COSTS	0.	1,606,848.	-1,634,772.	27,924.
TOTAL TO FM 990, LN 43	<u>2,708,045.</u>	<u>3,027,891.</u>	<u>-395,710.</u>	<u>75,864.</u>

FORM 990 OFFICER COMPENSATION ALLOCATION STATEMENT 6
PART II, LINE 25

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
LIBBY APPEL	219,638.	14,478.		234,116.
A. PROGRAM SERVICES	219,638.	14,478.		234,116.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
PAUL NICHOLSON	219,638.	16,833.		236,471.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	219,638.	16,833.		236,471.
C. FUNDRAISING				

TOTAL PROGRAM SERVICES				234,116.
TOTAL MANAGEMENT AND GENERAL				236,471.
TOTAL FUNDRAISING				
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B				470,587.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 7

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
SEE ATTACHED SCHEDULE STATEMENT 21			NONE	139,791.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				139,791.

DESCRIPTION OF PROGRAM SERVICE ONE

PLAYS AND OTHER EVENTS: PRESENTATION OF LIVE THEATRICAL PERFORMANCES. A TOTAL OF 11 SEPARATE PLAYS COMBINING FOR 776 LIVE PERFORMANCES, WERE PRESENTED IN REVOLVING REPERTORY THEATRE OVER A SEASON OF EIGHT AND A HALF MONTHS TO AN AUDIENCE OF OVER 387,000 PEOPLE. THE PLAYS RANGED FROM SHAKESPEARE, TO CLASSICS, TO NEW CONTEMPORARY WORKS. ONE NEW PLAY READING AND NINE CONCERTS WERE PRESENTED TO 800 PEOPLE.

TO FORM 990, PART III, LINE A

GRANTS	EXPENSES
28,483.	14,491,254.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 9

DESCRIPTION OF PROGRAM SERVICE TWO

EDUCATIONAL PROGRAMS: TEAMS OF ACTORS VISITED 119 ELEMENTARY, JUNIOR, AND HIGH SCHOOLS AND COLLEGES AND UNIVERSITIES IN FOUR STATES PROVIDING PERFORMANCES AND INSTRUCTION TO OVER 80,000 STUDENTS. NINETY-FOUR ON-SITE PREFACES AND LECTURES BETWEEN PLAYS PROVIDED INSTRUCTION TO OVER 74,000 STUDENTS, TEACHERS, AND ADULTS. WORKSHOPS FOR TEACHERS AND STUDENTS, A SUMMER SEMINAR, AND OTHER EDUCATION EVENTS REACHED APPROXIMATELY 20,000 MORE STUDENTS. THERE WERE 294 BACKSTAGE TOURS ATTENDED BY 18,300 PEOPLE. OVER 1,400 PEOPLE VIEWED A COPY OF SHAKESPEARE FIRST FOLIO, PUBLISHED IN 1623, AND RECEIVED INSTRUCTION ON ITS HISTORY AND PRINTING.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE B	111,309.	806,721.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 10
PART III

EXPLANATION

TO PROVIDE FOR THE PROMOTION OF THE ARTS, THEATER, AND MUSIC AND TO EFFECTUATE TRAINING, EDUCATION, AND PERFORMANCE IN THE ARTS.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 11

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND	1,972,895.	0.	1,972,895.
BUILDINGS AND EQUIPMENT	31,040,355.	9,285,458.	21,754,897.
TOTAL TO FORM 990, PART IV, LN 57	33,013,250.	9,285,458.	23,727,792.

FORM 990 OTHER NOTES AND LOANS PAYABLE STATEMENT 14

LENDER'S NAME TERMS OF REPAYMENT

CITY OF ASHLAND \$29,302 PER YEAR

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
11/01/02	11/01/26	390,000.	5.58%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
UNSECURED	DEFRAY COSTS OF CONSTRUCTING PARKING STRUCTURE

RELATIONSHIP OF LENDER

NONE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
CASH LOAN	0.	348,362.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B 348,362.

FORM 990 OTHER REVENUE INCLUDED ON FORM 990 STATEMENT 15

DESCRIPTION	AMOUNT
EXPENSES INCLUDED IN REVENUE ON FINANCIAL STATEMENTS	74,670.
SCHOLARSHIPS RECLASSIFIED FROM REVENUES	95,660.
TOTAL TO FORM 990, PART IV-A	170,330.

FORM 990 OTHER EXPENSES INCLUDED ON FORM 990 STATEMENT 16

DESCRIPTION	AMOUNT
SCHOLARSHIPS RECLASSIFIED FROM REVENUES	95,660.
TOTAL TO FORM 990, PART IV-B	95,660.

FORM 990 PART V-A - LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 17

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
LIBBY APPEL P.O. BOX 158 ASHLAND, OR 97520	ARTISTIC DIRECTOR 40.00	219,638.	14,478.	0.
PAUL NICHOLSON P.O. BOX 158 ASHLAND, OR 97520	EXECUTIVE DIRECTOR 40.00	219,638.	16,833.	0.
KAREN ALLEN P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
MARY ARNSTAD P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
RAY BACCHETTI P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
GEORGE BELL P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
BERTIE BIALEK P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
CHUCK BUTLER P.O. BOX 158 ASHLAND, OR 97520	PAST PRESIDENT 5.00	0.	0.	0.
SUSAN CAIN P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
KEVIN CARTWRIGHT P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
JACK CREIGHTON P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.

SID DEBOER P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
BILL FINDLAY P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
BOBBIE DORE FOSTER P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
MORT FRIEDKIN P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
LEW FREDERICK P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
LOUISE GUND P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
LYN HENNION P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
PAUL HILL P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
RUDD JOHNSON P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
PETER KOEHLER, JR. P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
GINNY LANG P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 8.00	0.	0.	0.
CELIA MEESE P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
ANN OTTER P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.

LEE PELTON P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
PENNY PERCY P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
JIM RISSER P.O. BOX 158 ASHLAND, OR 97520	VICE PRESIDENT 8.00	0.	0.	0.
ANGELICA RUPPE P.O. BOX 158 ASHLAND, OR 97520	TREASURER 8.00	0.	0.	0.
GUY SAPERSTEIN P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
PATSY SMULLIN P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
NANCY TAIT P.O. BOX 158 ASHLAND, OR 97520	PRESIDENT 5.00	0.	0.	0.
JERRY TAYLOR P.O. BOX 158 ASHLAND, OR 97520	PAST VICE PRESIDENT 5.00	0.	0.	0.
ROY VINYARD P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
NOELL WEBB P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
MARY WILCOX P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
ELISABETH ZINSER P.O. BOX 158 ASHLAND, OR 97520	DIRECTOR 5.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		<u>439,276.</u>	<u>31,311.</u>	<u>0.</u>

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 18
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
OREGON SHAKESPEARE FESTIVAL ENDOWMENT FUND	X	

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 19
ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	PRESENTATION OF PLAYS FURTHER PROMOTES THE ARTS TO THE PUBLIC AND PROVIDES TRAINING AND EDUCATION IN THEATER ARTS TO ACTORS, DIRECTORS, TECHNICIANS, AND STUDENTS.
93B	PUBLICATIONS INFORM THE PUBLIC ABOUT THE FESTIVAL, THE PLAYS AND WILLIAM SHAKESPEARE IN PARTICULAR.
93C	SCHOOL VISITS, LECTURES, AND WORKSHOPS EDUCATE STUDENTS AND TEACHERS ABOUT LIVE THEATER.
103B	RENTAL OF PERFORMANCE COSTUMES HELPS TO PROMOTE THEATER ARTS AT OTHER PUBLICLY SUPPORTED THEATER COMPANIES
103C	VARIOUS ACTIVITIES RELATED TO THE PERFORMANCES PROMOTE THEATER ARTS AND EDUCATE THE PUBLIC.

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 20
PART III, LINE 3A

SUMMER SEMINAR: SCHOLARSHIPS ARE BASED ON FINANCIAL NEED
 BOWMER PROJECT: SCHOOLS ARE SELECTED BASED ON REGION, DIVERSITY AND PERCENTAGE OF TITLE ONE STUDENTS. TEACHERS ARE SELECTED BASED ON THE QUALITY OF THEIR APPLICATION & ENTHUSIASM FOR INTRODUCING STUDENTS TO PLAYS
 SCHOOL VISIT PARTNERSHIP PROGRAM: IN SELECTING SCHOOLS, THE FOLLOWING FACTORS ARE WEIGHED: PERCENTAGE OF TITLE ONE STUDENTS, ETHNIC DIVERSITY, REGIONAL DIVERSITY, ABSENCE OF COMMUNITY CULTURAL OPPORTUNITIES & FINANCIAL NEED. SCHOOLS MUST DEMONSTRATE WILLING PARTICIPATION AND COMMITMENT TO THE THREE YEAR PROGRAM.

TAX RETURN FILING INSTRUCTIONS

FORM 990-T

FOR THE YEAR ENDING

OCTOBER 31, 2006

Prepared for	OREGON SHAKESPEARE FESTIVAL ASSOCIATION, INC. P.O. BOX 158 ASHLAND, OR 97520-0158
Prepared by	MCDONALD JACOBS, P.C. 520 SW YAMHILL, STE 500 PORTLAND, OR 97204
Amount due or refund	NO AMOUNT IS DUE.
Make check payable to	NO AMOUNT IS DUE.
Mail tax return and check (if applicable) to	INTERNAL REVENUE SERVICE CENTER OGDEN, UT 84201-0027
Return must be mailed on or before	SEPTEMBER 17, 2007
Special Instructions	THE RETURN SHOULD BE SIGNED AND DATED.

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2005

Department of the Treasury Internal Revenue Service

For calendar year 2005 or other tax year beginning NOV 1, 2005, and ending OCT 31, 2006

Header section containing organization name (OREGON SHAKESPEARE FESTIVAL ASSOCIATION, INC.), address (P.O. BOX 158, ASHLAND, OR 97520-0158), EIN (93-0407022), and other identifying information.

H Describe the organization's primary unrelated business activity. SEE STATEMENT 21

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? No

J The books are in care of OREGON SHAKESPEARE FESTIVAL ASSOC. Telephone number 541 482-2111

Table with 4 columns: Part I Unrelated Trade or Business Income, (A) Income, (B) Expenses, (C) Net. Rows 1-13 showing various income and expense categories with totals.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)

Table with 4 columns: Line number, Description, Sub-column, Total. Rows 14-34 detailing deductions such as compensation, salaries, repairs, interest, taxes, and charitable contributions.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) - check here <input type="checkbox"/> . See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____ c Income tax on the amount on line 34	35c	0.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	
37 Proxy tax. See instructions	37	
38 Alternative minimum tax	38	
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	0.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a	
b Other credits (See instructions)	40b	
c General business credit - Check here and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) _____	40c	
d Credit for prior year minimum tax (attach Form 8801 or 8827)	40d	
e Total credits. Add lines 40a through 40d	40e	
41 Subtract line 40e from line 39	41	0.
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	42	
43 Total tax. Add lines 41 and 42	43	0.
44a Payments: A 2004 overpayment credited to 2005	44a	
b 2005 estimated tax payments	44b	
c Tax deposited with Form 8868	44c	
d Foreign organizations - Tax paid or withheld at source (see instructions)	44d	
e Backup withholding (see instructions)	44e	
f Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total	44f	
45 Total payments. Add lines 44a through 44f	45	
46 Estimated tax penalty (See instructions). Check <input type="checkbox"/> if Form 2220 is attached	46	
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed	47	0.
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid	48	0.
49 Enter the amount of line 48 you want: Credited to 2006 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	49	

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 16.)

1 At any time during the 2005 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)? If "Yes," the organization may have to file Form TD F 90-22.1. If "Yes," enter the name of the foreign country here	Yes	No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 5 of the instructions for other forms the organization may have to file.		X
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional section 263A costs	4a				X
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed Preparer's SSN or PTIN P00012997

Firm's name (or yours if self-employed), address, and ZIP code **MCDONALD JACOBS, P.C.**
520 SW YAMHILL, STE 500
PORTLAND, OR 97204

EIN 93-0900579
Phone no. 503 227-0581

523711 01-31-06 Form 990-T (2005)

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (See instr. on pg 17.)

1 Description of property

(1) HOWE AND AVALON RENTAL PROPERTY INCOME		
(2)		
(3)		
(4)		
2 Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule) SEE STATEMENT 22
(1)	37,244.	65,192.
(2)		
(3)		
(4)		
Total	0.	37,244.
Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)		37,244.
		Total deductions. Enter here and on page 1, Part I, line 6, column (B) ... 65,192.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 17.)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight-line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			0.	0.
Total dividends-received deductions included in column 8				0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 18.)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column (4) that is included in the controlling organization's gross income	6 Deductions directly connected with income in column (5)
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column (9) that is included in the controlling organization's gross income	11 Deductions directly connected with income in column (10)	
(1)					
(2)					
(3)					
(4)					
Totals			0.	0.	

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(See instructions on page 19.)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals	0.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(See instructions on page 19.)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	0.	0.				0.

Schedule J - Advertising Income (See instructions on page 19.)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4) STATEMENT 23						
Totals (carry to Part II, line (5))	122,105.	143,787.	-21,682.			0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	122,105.	143,787.				0.
Totals, Part II (lines 1-5)	122,105.	143,787.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (See instructions on page 20.)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
			%
			%
			%
			%
Total - Enter here and on page 1, Part II, line 14			0.

Depreciation and Amortization 990
 (Including Information on Listed Property)

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

Name(s) shown on return OREGON SHAKESPEARE FESTIVAL ASSOCIATION, INC.	Business or activity to which this form relates FORM 990 PAGE 2	Identifying number 93-0407022
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Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	105,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	420,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6		
(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2004 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property (other than listed property) placed in service during the tax year	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2005	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2005 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	984,715.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V

Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost.

25 Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use 25

26 Property used more than 50% in a qualified business use: Table with 9 columns for property details.

27 Property used 50% or less in a qualified business use: Table with 9 columns for property details.

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with 6 main columns: (a) Vehicle, (b) Vehicle, (c) Vehicle, (d) Vehicle, (e) Vehicle, (f) Vehicle. Includes rows 30-36 for mileage and personal use questions.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

Table for Section C with 2 columns: Yes, No. Includes rows 37-41 for policy and use questions.

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year.

42 Amortization of costs that begins during your 2005 tax year: Table with 6 columns for amortization details.

43 Amortization of costs that began before your 2005 tax year 43

44 Total. Add amounts in column (f). See the instructions for where to report 44

