

Return of Organization Exempt From Income Tax

2004

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

A For the 2004 calendar year, or tax year beginning **JUL 1, 2004** and ending **JUN 30, 2005**

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
ALABAMA POLICY INSTITUTE, INC.

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
P.O. BOX 59692

City or town, state or country, and ZIP + 4
BIRMINGHAM, AL 35259

D Employer identification number
63-0809568

E Telephone number
(205) 870-9900

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).

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? **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

G Website: **N/A**

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

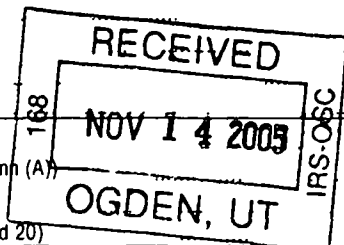
K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

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 **980,160.**

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

| | | (A) Securities | | (B) Other | | | | |
|---|---|----------------|--|-----------|-----------|------------|-----------------|----------|
| Revenue | 1 Contributions, gifts, grants, and similar amounts received | | | | | | | |
| | a Direct public support | 1a | | | | | 560,066. | |
| | b Indirect public support | 1b | | | | | | |
| | c Government contributions (grants) | 1c | | | | | | |
| | d Total (add lines 1a through 1c) (cash \$ <u>560,066.</u> noncash \$ _____) | | | | | 1d | | 560,066. |
| | 2 Program service revenue including government fees and contracts (from Part VII, line 93) | | | | | 2 | | |
| | 3 Membership dues and assessments | | | | | 3 | | |
| | 4 Interest on savings and temporary cash investments | | | | | 4 | | 1,354. |
| | 5 Dividends and interest from securities | | | | | 5 | | |
| | 6 a Gross rents | 6a | | | | | | |
| | b Less: rental expenses | 6b | | | | | | |
| | c Net rental income or (loss) (subtract line 6b from line 6a) | | | | | 6c | | |
| 7 Other investment income (describe _____) | | | | | 7 | | | |
| | 8 a Gross amount from sales of assets other than inventory | | | | 8a | | | |
| | b Less: cost or other basis and sales expenses | | | | 8b | | | |
| | c Gain or (loss) (attach schedule) | | | | 8c | | | |
| | d Net gain or (loss) (combine line 8c, columns (A) and (B)) | | | | 8d | | | |
| | 9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/> | | | | | | | |
| | a Gross revenue (not including \$ <u>0.</u> of contributions reported on line 1a) | 9a | | | | | 418,740. | |
| | b Less: direct expenses other than fundraising expenses | 9b | | | | | 150,196. | |
| | c Net income or (loss) from special events (subtract line 9b from line 9a) | | | | | 9c | SEE STATEMENT 1 | 268,544. |
| | 10 a 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 | | | |
| | 12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11) | | | | 12 | | 829,964. | |
| Expenses | 13 Program services (from line 44, column (B)) | | | | 13 | | 330,556. | |
| | 14 Management and general (from line 44, column (C)) | | | | 14 | | 271,241. | |
| | 15 Fundraising (from line 44, column (D)) | | | | 15 | | 150,253. | |
| | 16 Payments to affiliates (attach schedule) | | | | 16 | | | |
| | 17 Total expenses (add lines 16 and 44, column (A)) | | | | 17 | | 752,050. | |
| Net Assets | 18 Excess or (deficit) for the year (subtract line 17 from line 12) | | | | 18 | | 77,914. | |
| | 19 Net assets or fund balances at beginning of year (from line 73, column (A)) | | | | 19 | | 134,988. | |
| | 20 Other changes in net assets or fund balances (attach explanation) | | | | 20 | | 0. | |
| | 21 Net assets or fund balances at end of year (combine lines 18, 19, and 20) | | | | 21 | | 212,902. | |



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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. Page 2

| Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I | (A) Total | (B) Program services | (C) Management and general | (D) Fundraising |
|--|-------------|----------------------|----------------------------|-----------------|
| 22 Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) | 22 | | | |
| 23 Specific assistance to individuals (attach schedule) | 23 | | | |
| 24 Benefits paid to or for members (attach schedule) | 24 | | | |
| 25 Compensation of officers, directors, etc | 25 246,537. | 108,476. | 88,753. | 49,308. |
| 26 Other salaries and wages | 26 193,455. | 85,118. | 69,645. | 38,692. |
| 27 Pension plan contributions | 27 | | | |
| 28 Other employee benefits | 28 39,702. | 17,469. | 14,293. | 7,940. |
| 29 Payroll taxes | 29 32,120. | 14,133. | 11,563. | 6,424. |
| 30 Professional fundraising fees | 30 | | | |
| 31 Accounting fees | 31 9,055. | 3,984. | 3,260. | 1,811. |
| 32 Legal fees | 32 | | | |
| 33 Supplies | 33 7,517. | 3,307. | 2,706. | 1,504. |
| 34 Telephone | 34 13,242. | 5,827. | 4,767. | 2,648. |
| 35 Postage and shipping | 35 8,340. | 3,670. | 3,002. | 1,668. |
| 36 Occupancy | 36 47,766. | 21,017. | 17,196. | 9,553. |
| 37 Equipment rental and maintenance | 37 2,122. | 934. | 764. | 424. |
| 38 Printing and publications | 38 45,455. | 20,000. | 16,364. | 9,091. |
| 39 Travel | 39 9,256. | 4,073. | 3,332. | 1,851. |
| 40 Conferences, conventions, and meetings | 40 4,679. | 2,059. | 1,684. | 936. |
| 41 Interest | 41 785. | | 785. | |
| 42 Depreciation, depletion, etc. (attach schedule) | 42 19,800. | 8,712. | 7,128. | 3,960. |
| 43 Other expenses not covered above (itemize) | | | | |
| a _____ | 43a | | | |
| b _____ | 43b | | | |
| c _____ | 43c | | | |
| d _____ | 43d | | | |
| e SEE STATEMENT 2 | 43e 72,219. | 31,777. | 25,999. | 14,443. |
| 44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15. | 44 752,050. | 330,556. | 271,241. | 150,253. |

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? **SEE STATEMENT 3**

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

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

| | |
|--|----------|
| a THE ORGANIZATION IS A NON-PROFIT RESEARCH AND EDUCATIONAL ORGANIZATION FORMED TO PROMOTE AND PRESERVE TRADITIONAL FAMILY VALUES PRIMARILY IN ALABAMA. (Grants and allocations \$ _____) | 330,556. |
| b _____ (Grants and allocations \$ _____) | |
| c _____ (Grants and allocations \$ _____) | |
| d _____ (Grants and allocations \$ _____) | |
| e Other program services (attach schedule) (Grants and allocations \$ _____) | |
| f Total of Program Service Expenses (should equal line 44, column (B), Program services) | 330,556. |

Part IV Balance Sheets

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 | 157,449. | 272,043. |
| | 46 Savings and temporary cash investments | | |
| | 47 a Accounts receivable | | |
| | b Less: allowance for doubtful accounts | | |
| | 48 a Pledges receivable | | |
| | b Less: allowance for doubtful accounts | | |
| | 49 Grants receivable | | |
| | 60 Receivables from officers, directors, trustees, and key employees | | |
| | 51 a Other notes and loans receivable | | |
| | b Less allowance for doubtful accounts | | |
| | 52 Inventories for sale or use | | |
| | 53 Prepaid expenses and deferred charges | | 1,831. |
| | 54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV | | |
| | 55 a Investments - land, buildings, and equipment basis | | |
| | b Less: accumulated depreciation | | |
| 56 Investments - other | | | |
| 57 a Land, buildings, and equipment: basis | 167,260. | | |
| b Less accumulated depreciation STMT 4 | 125,893. | | |
| 58 Other assets (describe) | | | |
| 59 Total assets (add lines 45 through 58) (must equal line 74). | 194,552. | 315,241. | |
| Liabilities | 60 Accounts payable and accrued expenses | 33,178. | 72,542. |
| | 61 Grants payable | | |
| | 62 Deferred revenue | | |
| | 63 Loans from officers, directors, trustees, and key employees | | |
| | 64 a Tax-exempt bond liabilities | | |
| | b Mortgages and other notes payable | | |
| | 65 Other liabilities (describe SEE STATEMENT 5) | 26,386. | 29,797. |
| 66 Total liabilities (add lines 60 through 65) | 59,564. | 102,339. | |
| 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 | 91,088. | 185,037. |
| | 68 Temporarily restricted | 43,900. | 27,865. |
| | 69 Permanently restricted | | |
| | 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 | | |
| | 71 Paid-in or capital surplus, or land, building, and equipment fund | | |
| | 72 Retained earnings, endowment, accumulated income, or other funds | | |
| 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) | 134,988. | 212,902. | |
| 74 Total liabilities and net assets / fund balances (add lines 66 and 73) | 194,552. | 315,241. | |

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

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

| | | | |
|-----|--|---|----------|
| a | Total revenue, gains, and other support per audited financial statements | a | 980,160. |
| b | Amounts included on line a but not on line 12, Form 990: | | |
| (1) | Net unrealized gains on investments | | |
| (2) | Donated services and use of facilities | | |
| (3) | Recoveries of prior year grants | | |
| (4) | Other (specify): | | |
| | STMT 6 \$ 150,196. | | |
| | Add amounts on lines (1) through (4) | b | 150,196. |
| c | Line a minus line b | c | 829,964. |
| d | Amounts included on line 12, Form 990 but not on line a: | | |
| (1) | Investment expenses not included on line 6b, Form 990 | | |
| (2) | Other (specify) | | |
| | Add amounts on lines (1) and (2) | d | 0. |
| e | Total revenue per line 12, Form 990 (line c plus line d) | e | 829,964. |

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

| | | | |
|-----|--|---|----------|
| a | Total expenses and losses per audited financial statements | a | 902,246. |
| b | Amounts included on line a but not on line 17, Form 990: | | |
| (1) | Donated services and use of facilities | | |
| (2) | Prior year adjustments reported on line 20, Form 990 | | |
| (3) | Losses reported on line 20, Form 990 | | |
| (4) | Other (specify): | | |
| | STMT 7 \$ 150,196. | | |
| | Add amounts on lines (1) through (4) | b | 150,196. |
| c | Line a minus line b | c | 752,050. |
| d | Amounts included on line 17, Form 990 but not on line a: | | |
| (1) | Investment expenses not included on line 6b, Form 990 | | |
| (2) | Other (specify) | | |
| | Add amounts on lines (1) and (2) | d | 0. |
| e | Total expenses per line 17, Form 990 (line c plus line d) | e | 752,050. |

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)

| (A) Name and address | (B) Title and average hours per week devoted to position | (C) Compensation (If not paid, enter -0-) | (D) Contributions to employee benefit plans & deferred compensation | (E) Expense account and other allowances |
|---|--|---|---|--|
| TOM BRADFORD, JR 3920 ROYAL OAK DRIVE BIRMINGHAM, AL 35243 | CHAIRMAN | 0. | 0. | 0. |
| DARREL C. WEAVER 772 HEATHERWOOD DRIVE BIRMINGHAM, AL 35244 | VICE-CHAIRMAN | 0. | 0. | 0. |
| JONATHAN C. PUTMAN 1500 HAMILTON LANE BIRMINGHAM, AL 35243 | TREASURER | 0. | 0. | 0. |
| SUSAN STEPHENS 2706 VICTORIAN DRIVE JASPER, AL 35504 | SECRETARY | 0. | 0. | 0. |
| MICHAEL A. CIAMARRA 116 OAKMONT ROAD BIRMINGHAM, AL 35244 | VP DIRECTOR LEGISLATIVE | 72,200. | 0. | 0. |
| JEFFERY J. FINK 1106 GLENWOOD TERRACE ANNISTON, AL 36207 | CHIEF OPERATING OFFICER | 85,875. | 0. | 0. |
| GARY J. PALMER 1973 CAHABA CREST DR BIRMINGHAM, AL 35242 | PRESIDENT | 88,462. | 0. | 0. |
| | | | | |
| | | | | |
| | | | | |

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

Part VI Other Information

Form with multiple rows and columns for reporting organizational activities, including questions 76 through 92, with Yes/No columns and various input fields.

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions)

Note: Enter gross amounts unless otherwise indicated.

| | Unrelated business income | | Excluded by section 512, 513, or 514 | | (E) Related or exempt function income |
|---|---------------------------|---------------|--------------------------------------|---------------|---|
| | (A) Business code | (B) Amount | (C) Exclu- sion code | (D) Amount | |
| 93 Program service revenue | | | | | |
| a _____ | | | | | |
| b _____ | | | | | |
| c _____ | | | | | |
| d _____ | | | | | |
| e _____ | | | | | |
| f Medicare/Medicaid payments | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 94 Membership dues and assessments | | | | | |
| 95 Interest on savings and temporary cash investments | | | 14 | 1,354. | |
| 96 Dividends and interest from securities | | | | | |
| 97 Net rental income or (loss) from real estate: | | | | | |
| a debt-financed property | | | | | |
| b not debt-financed property | | | | | |
| 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 | | | 01 | 268,544. | |
| 102 Gross profit or (loss) from sales of inventory | | | | | |
| 103 Other revenue | | | | | |
| a _____ | | | | | |
| b _____ | | | | | |
| c _____ | | | | | |
| d _____ | | | | | |
| e _____ | | | | | |
| 104 Subtotal (add columns (B), (D), and (E)) | | 0. | | 269,898. | 0. |
| 105 Total (add line 104, columns (B), (D), and (E)) | | | | | 269,898. |

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions)

| Line No. | Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) |
|----------|--|
| 95 | INTEREST |
| 101 | INCOME |

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions)

| (A) Name, address, and EIN of corporation, partnership, or disregarded entity | (B) Percentage of ownership interest | (C) Nature of activities | (D) Total income | (E) End-of-year assets |
|---|--|-----------------------------|---------------------|------------------------------|
| N/A | % | | | |
| | % | | | |
| | % | | | |
| | % | | | |

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

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here: Under penalties of perjury, I declare that I have examined this return, including 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: *[Signature]* Date: 10/31/05 Type or print name and title: JEFF FINK - COO

Paid Preparer's Use Only: Preparer's signature: *[Signature]* Date: 10/21/05 Check if self-employed: Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: WARREN, AVERETT, KIMBROUGH & MARINO, LLC
818 LEIGHTON AVENUE
ANNISTON, AL 36207

Phone no: 256-237-7571

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 Section 4947(a)(1) Nonexempt Charitable Trust

2004

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 **ALABAMA POLICY INSTITUTE, INC.** Employer identification number **63 0809568**

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 |
|---|--|------------------|---|--|
| NONE ----- | | | | |
| ----- | | | | |
| ----- | | | | |
| ----- | | | | |
| ----- | | | | |
| Total number of other employees paid over \$50,000 ▶ | 0 | | | |

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None")

| (a) Name and address of each independent contractor paid more than \$50,000 | (b) Type of service | (c) Compensation |
|---|---------------------|------------------|
| NONE ----- | | |
| ----- | | |
| ----- | | |
| ----- | | |
| ----- | | |
| Total number of others receiving over \$50,000 for professional services ▶ | 0 | |

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

| | Yes | No |
|--|-----|----|
| 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \blacktriangleright \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities | | X |
| 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) SEE STATEMENT 8 | | |
| a Sale, exchange, or leasing of property? | X | |
| b Lending of money or other extension of credit? | | X |
| c Furnishing of goods, services, or facilities? | | X |
| d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? | | X |
| e Transfer of any part of its income or assets? | | X |
| 3 a Do you make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) | | X |
| b Do you have a section 403(b) annuity plan for your employees? | | X |
| 4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? | | X |
| b Do you provide credit counseling, debt management, credit repair, or debt negotiation services? | | X |

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

- The organization is not a private foundation because it is: (Please check only ONE applicable box.)
- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i).
 - 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
 - 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
 - 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v)
 - 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state \blacktriangleright _____
 - 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A.)
 - 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
 - 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
 - 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A.)
 - 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

| (a) Name(s) of supported organization(s) | (b) Line number from above |
|--|----------------------------|
| | |
| | |
| | |

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

| Calendar year (or fiscal year beginning in) ▶ | (a) 2003 | (b) 2002 | (c) 2001 | (d) 2000 | (e) Total |
|---|----------|----------|----------|----------|------------|
| 15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) | 530,892. | 451,664. | 598,917. | 531,225. | 2,112,698. |
| 16 Membership fees received | | | | | |
| 17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose | 260,843. | 314,780. | 216,963. | 392,958. | 1,185,544. |
| 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 | 678. | 318. | 652. | 1,460. | 3,108. |
| 19 Net income from unrelated business activities not included in line 18 | | | | | |
| 20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf | | | | | |
| 21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge | | | | | |
| 22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets | | | | | |
| 23 Total of lines 15 through 22 | 792,413. | 766,762. | 816,532. | 925,643. | 3,301,350. |
| 24 Line 23 minus line 17 | 531,570. | 451,982. | 599,569. | 532,685. | 2,115,806. |
| 25 Enter 1% of line 23 | 7,924. | 7,668. | 8,165. | 9,256. | |

| | | | |
|--|---|-----|------------|
| 26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 | ▶ | 26a | 42,316. |
| b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts | ▶ | 26b | 501,695. |
| c Total support for section 509(a)(1) test. Enter line 24, column (e) | ▶ | 26c | 2,115,806. |
| d Add. Amounts from column (e) for lines: 18 <u>3,108.</u> 19 _____ 22 _____ 26b <u>501,695.</u> | ▶ | 26d | 504,803. |
| e Public support (line 26c minus line 26d total) | ▶ | 26e | 1,611,003. |
| f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) | ▶ | 26f | 76.1413% |

| | | | | |
|---|--------|--------|--------|--------|
| 27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A | (2003) | (2002) | (2001) | (2000) |
| b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A | (2003) | (2002) | (2001) | (2000) |
| 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 | ▶ | 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 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15

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

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? | | |
| b | Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? | | |
| c | Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? | | |
| d | Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement) | | |
| _____ | | | |
| 33 | Does the organization discriminate by race in any way with respect to | | |
| a | Students' rights or privileges? | | |
| b | Admissions policies? | | |
| c | Employment of faculty or administrative staff? | | |
| d | Scholarships or other financial assistance? | | |
| e | Educational policies? | | |
| f | Use of facilities? | | |
| g | Athletic programs? | | |
| h | Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement) | | |
| _____ | | | |
| _____ | | | |
| 34 a | Does the organization receive any financial aid or assistance from a governmental agency? | | |
| b | Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement. | | |
| 35 | Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation | | |

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

N/A

(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 | |
| 37 Total lobbying expenditures to influence a legislative body (direct lobbying) | 37 | |
| 38 Total lobbying expenditures (add lines 36 and 37) | 38 | |
| 39 Other exempt purpose expenditures | 39 | |
| 40 Total exempt purpose expenditures (add lines 38 and 39) | 40 | |
| 41 Lobbying nontaxable amount. Enter the amount from the following table - | | |
| If the amount on line 40 is - 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 | |
| 43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 | 43 | |
| 44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 | 44 | |

Caution. If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions)

| Calendar year (or fiscal year beginning in) ▶ | Lobbying Expenditures During 4-Year Averaging Period | | | | N/A |
|---|--|-------------|-------------|-------------|--------------|
| | (a) 2004 | (b) 2003 | (c) 2002 | (d) 2001 | (e) Total |
| 45 Lobbying nontaxable amount | | | | | 0. |
| 46 Lobbying ceiling amount (150% of line 45(e)) | | | | | 0. |
| 47 Total lobbying expenditures | | | | | 0. |
| 48 Grassroots nontaxable amount | | | | | 0. |
| 49 Grassroots ceiling amount (150% of line 48(e)) | | | | | 0. |
| 50 Grassroots lobbying expenditures | | | | | 0. |

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 11 of the instructions)

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

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

| | Yes | No |
|---|-----|----|
| 51a(i) (I) Cash | | X |
| a(ii) (II) Other assets | | X |
| b(i) (I) Sales or exchanges of assets with a noncharitable exempt organization | | X |
| b(ii) (II) Purchases of assets from a noncharitable exempt organization | | X |
| b(iii) (III) Rental of facilities, equipment, or other assets | | X |
| b(iv) (IV) Reimbursement arrangements | | X |
| b(v) (V) Loans or loan guarantees | | X |
| b(vi) (VI) Performance of services or membership or fundraising solicitations | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | X |

- (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

| (a) Line no | (b) Amount involved | (c) Name of noncharitable exempt organization | (d) Description of transfers, transactions, and sharing arrangements |
|----------------|------------------------|--|---|
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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**

| (a) Name of organization | (b) Type of organization | (c) Description of relationship |
|-----------------------------|-----------------------------|------------------------------------|
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| FORM 990 | SPECIAL EVENTS AND ACTIVITIES | | | | STATEMENT | 1 |
|---------------------------|-------------------------------|---------------------|---------------|-----------------|------------|---|
| DESCRIPTION OF EVENT | GROSS RECEIPTS | CONTRIBUT. INCLUDED | GROSS REVENUE | DIRECT EXPENSES | NET INCOME | |
| | 418,740. | | 418,740. | 150,196. | 268,544. | |
| TO FM 990, PART I, LINE 9 | 418,740. | | 418,740. | 150,196. | 268,544. | |

| FORM 990 | OTHER EXPENSES | | | | STATEMENT | 2 |
|------------------------|----------------|-------------------------|-------------------------------|--------------------|-----------|---|
| DESCRIPTION | (A) TOTAL | (B) PROGRAM SERVICES | (C) MANAGEMENT AND GENERAL | (D) FUNDRAISING | | |
| CONTRACT FEES NETWORK | 7,545. | 3,320. | 2,716. | 1,509. | | |
| ADMINISTRATION | 17,366. | 7,641. | 6,252. | 3,473. | | |
| DUES & SUBSCRIPTIONS | 4,386. | 1,930. | 1,579. | 877. | | |
| MISCELLANEOUS FEES | 447. | 197. | 161. | 89. | | |
| TAXES & LICENSES | 275. | 121. | 99. | 55. | | |
| RESEARCH/EDUCATION | 811. | 357. | 292. | 162. | | |
| INSURANCE | 193. | 85. | 69. | 39. | | |
| MEALS & ENTERTAINMENT | 11,280. | 4,963. | 4,061. | 2,256. | | |
| AUTO EXPENSE | 4,464. | 1,964. | 1,607. | 893. | | |
| NEWSLETTER | 21,047. | 9,261. | 7,577. | 4,209. | | |
| TOTAL TO FM 990, LN 43 | 4,405. | 1,938. | 1,586. | 881. | | |
| | 72,219. | 31,777. | 25,999. | 14,443. | | |

| FORM 990 | STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE | STATEMENT | 3 |
|----------|--|-----------|---|
| PART III | | | |

EXPLANATION

THE ORGANIZATION IS A NON-PROFIT RESEARCH & EDUCATIONAL ORGANIZATION

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 4

| DESCRIPTION | COST OR OTHER BASIS | ACCUMULATED DEPRECIATION | BOOK VALUE |
|-------------------------------|------------------------|-----------------------------|------------|
| COMPUTER STAND | 247. | 247. | 0. |
| BOOKSHELVES | 819. | 819. | 0. |
| PAINTING | 1,000. | 1,000. | 0. |
| DESK | 756. | 756. | 0. |
| FILE CABINET | 346. | 346. | 0. |
| FILE CABINET | 270. | 210. | 60. |
| FILE CABINET | 332. | 228. | 104. |
| PAPER FOLDER | 312. | 312. | 0. |
| PLASTIC SPINE BINDING MACHINE | 418. | 418. | 0. |
| COLLATOR | 864. | 864. | 0. |
| FASTBACK BINDING MACHINE | 2,836. | 2,836. | 0. |
| LASER PRINTER | 389. | 389. | 0. |
| DOCKING STATION | 450. | 450. | 0. |
| LASERJET PRINTER | 486. | 486. | 0. |
| COMPUTER NETWORK SERVER | 2,325. | 2,325. | 0. |
| LASERJET PRINTER | 363. | 363. | 0. |
| LAPTOP COMPUTER | 1,016. | 1,016. | 0. |
| REFRIGERATOR | 421. | 421. | 0. |
| LASERJET PRINTER | 270. | 270. | 0. |
| FAX MACHINE | 1,506. | 1,506. | 0. |
| LEASED COPIER | 22,437. | 20,834. | 1,603. |
| PAPER FOLDER | 540. | 467. | 73. |
| DELL | 304. | 304. | 0. |
| PAPER COLLATOR | 2,700. | 2,318. | 382. |
| COMPUTER | 3,215. | 3,215. | 0. |
| HP 3360 DESKTOP COMPUTER | 594. | 594. | 0. |
| 2-COMPAQ COMPUTER | 1,266. | 1,266. | 0. |
| TELEPHONE HEADSET | 338. | 338. | 0. |
| COMPUTER | 1,157. | 1,157. | 0. |
| SCANNER | 411. | 411. | 0. |
| CSS COMPUTER | 594. | 594. | 0. |
| NETWORK | 8,133. | 8,133. | 0. |
| CD PUBLISHING MACHINE | 5,495. | 5,495. | 0. |
| RISO GRAPCO DUPLICATOR | 17,710. | 15,042. | 2,668. |
| CD BURNER | 730. | 688. | 42. |
| 3 COLOR MONITORS | 477. | 450. | 27. |
| WIRELESS ACCESS POINT | 686. | 647. | 39. |
| 2 TOSHIBA SATELLITE COMPUTERS | 1,798. | 1,694. | 104. |
| TELEPHONES | 770. | 726. | 44. |
| COMPOSER, PRINTER | 2,946. | 2,776. | 170. |
| POWIS PARKER P-31 PRINTER | 2,118. | 1,996. | 122. |
| SONY AV SELECTOR | 333. | 314. | 19. |
| COMPUTER, INTEL P3 | 944. | 890. | 54. |
| HP 4100 LASERJET PRINTER | 1,571. | 1,480. | 91. |
| POWERMAC COMPUTER W/ MONITOR | 2,099. | 1,978. | 121. |
| 1500 LASERJET PRINTER | 900. | 848. | 52. |

| | | | |
|--|-----------------|-----------------|----------------|
| AUTO DUPLEX ATTACHMENT | 414. | 390. | 24. |
| PRINTER RAM & FUSER | 921. | 868. | 53. |
| TELEX COPYETTE | 1,430. | 1,348. | 82. |
| SOFTWARE | 1,800. | 1,800. | 0. |
| PRINTER CD SOLUTIONS | 239. | 225. | 14. |
| PALM III XE ORGANIZER | 529. | 499. | 30. |
| SOFTWARE | 1,287. | 1,287. | 0. |
| SOFTWARE | 751. | 751. | 0. |
| SOFTWARE | 1,037. | 1,037. | 0. |
| 2003 FORD EXPLORER | 28,479. | 18,568. | 9,911. |
| ADD. PURCH. PRICE OF ASSET #70 | 1,000. | 507. | 493. |
| CONFERENCE TABLE AND CHAIRS | 2,012. | 1,396. | 616. |
| OFFICE CHAIRS | 728. | 505. | 223. |
| RENOVATION | 6,877. | 4,772. | 2,105. |
| SIGN | 365. | 35. | 330. |
| COMPUTER SERVER PLUS INSTALLATION | 6,205. | 827. | 5,378. |
| 2 DELL PIV COMPUTERS | 3,382. | 282. | 3,100. |
| DVD PLAYER | 98. | 3. | 95. |
| 5 LEASED DELL DIMENSION 4700C COMPUTERS | 8,600. | 717. | 7,883. |
| 1 DELL LATITUDE D505 LAPTOP | 1,910. | 159. | 1,751. |
| RISO GRAPCO DUPLICATOR - BUYOUT | 3,504. | 0. | 3,504. |
| TOTAL TO FORM 990, PART IV, LN 57 | 167,260. | 125,893. | 41,367. |

| FORM 990 | OTHER LIABILITIES | STATEMENT | 5 |
|----------|-------------------|-----------|---|
|----------|-------------------|-----------|---|

| DESCRIPTION | AMOUNT |
|--|----------------|
| NOTES PAYABLE | 17,088. |
| CURRENT PORTION OF CAPITAL LEASE | 12,709. |
| TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B | 29,797. |

| FORM 990 | OTHER REVENUE NOT INCLUDED ON FORM 990 | STATEMENT | 6 |
|----------|--|-----------|---|
|----------|--|-----------|---|

| DESCRIPTION | AMOUNT |
|-------------------------------------|-----------------|
| DIRECT EXPENSES FROM SPECIAL EVENTS | 150,196. |
| TOTAL TO FORM 990, PART IV-A | 150,196. |

| FORM 990 | OTHER EXPENSES NOT INCLUDED ON FORM 990 | STATEMENT | 7 |
|----------|---|-----------|---|
|----------|---|-----------|---|

| DESCRIPTION | AMOUNT |
|-------------------------------------|----------|
| DIRECT EXPENSES FROM SPECIAL EVENTS | 150,196. |
| TOTAL TO FORM 990, PART IV-B | 150,196. |

| SCHEDULE A | STATEMENT REGARDING ACTIVITIES WITH SUBSTANTIAL CONTRIBUTORS, TRUSTEES, DIRECTORS, CREATORS, KEY EMPLOYEES, ETC., PART III, LINE 2 | STATEMENT | 8 |
|------------|---|-----------|---|
|------------|---|-----------|---|

THE ORGANIZATION LEASES OFFICE SPACE FROM A BOARD MEMBER. THE SPACE IS COMPARABLE WITH OTHER OFFICE SPACE IN THE AREA AND COMPARABLES WERE OBTAINED TO ENSURE THAT THE TRANSACTION WAS WITHIN AN ARMS LENGTH.