

Form **990**

# Return of Organization Exempt From Income Tax

OMB No 1545-0047

# 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 and ending**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	<b>C Name of organization</b>		<b>D Employer identification number</b>	
		THE LEXINGTON INSTITUTE		54-1880642	
		Number and street (or P O box if mail is not delivered to street address) Room/suite 1600 WILSON BLVD. 900		<b>E Telephone number</b>	
City or town, state or country, and ZIP + 4 ARLINGTON, VA 22209		703-522-5809			

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

I Group Exemption Number

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

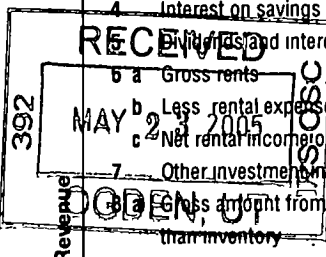
G Website: WWW.LEXINGTONINSTITUTE.ORG

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

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **2,086,940.**

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



Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a	2,061,820.		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ 2,061,820. noncash \$ )	1d		2,061,820.	
	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			
	5	Dividends and interest from securities	5		24,920.	
	6a	Gross rents	6a			
	6b	Less rental expenses	6b			
	6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
	7	Other investment income (describe OTHER INCOME )	7		200.	
Expenses	8a	Less amount from sales of assets other than inventory (A) Securities	8a			
	8b	(B) Other	8b			
	8c		8c			
	8d	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 \$ of contributions reported on line 1a)	9a			
	b	Less direct expenses other than fundraising expenses	9b			
	9c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
	10a	Gross sales of inventory, less returns and allowances	10a			
	10b	Less cost of goods sold	10b			
	10c	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		2,086,940.	
Net Assets	13	Program services (from line 44, column (B))	13		1,681,468.	
	14	Management and general (from line 44, column (C))	14		227,212.	
	15	Fundraising (from line 44, column (D))	15		182,150.	
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 16 and 44, column (A))	17		2,090,830.	
	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		-3,890.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		3,040,418.	
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 1	20		-9,037.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		3,027,491.	

**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	845,000.	634,500.	97,750.
26 Other salaries and wages	26	552,500.	467,675.	60,450.
27 Pension plan contributions	27			
28 Other employee benefits	28	39,275.	30,793.	4,544.
29 Payroll taxes	29	59,348.	46,531.	6,866.
30 Professional fundraising fees	30			
31 Accounting fees	31	10,558.		10,558.
32 Legal fees	32	1,224.		1,224.
33 Supplies	33	18,455.	14,469.	2,135.
34 Telephone	34	25,341.	19,868.	2,932.
35 Postage and shipping	35	11,926.	9,350.	1,380.
36 Occupancy	36	112,035.	87,840.	12,961.
37 Equipment rental and maintenance	37	2,963.	2,323.	343.
38 Printing and publications	38	102,529.	80,387.	11,861.
39 Travel	39	29,697.	23,284.	3,436.
40 Conferences, conventions, and meetings	40	66,406.	66,406.	
41 Interest	41	62.		62.
42 Depreciation, depletion, etc (attach schedule)	42	13,261.	10,397.	1,534.
43 Other expenses not covered above (itemize)				
a _____	43a			
b _____	43b			
c _____	43c			
d _____	43d			
e SEE STATEMENT 2	43e	200,250.	187,645.	9,176.
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	2,090,830.	1,681,468.	227,212.

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? <b>SEE STATEMENT 3</b>	<b>Program Service Expenses</b> (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 THE INSTITUTE SUPPORTS AND PROVIDES RESEARCH REGARDING ISSUES OF PUBLIC POLICY HAVING EFFECTS ON THE RIGHTS, FREEDOM, SECURITY, AND QUALITY OF LIFE OF AMERICAN CITIZENS. (Grants and allocations \$ _____ )	1,681,468.
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)	1,681,468.

**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
<b>Assets</b>	45 Cash - non-interest-bearing		45
	46 Savings and temporary cash investments	2,414,960.	46 2,533,279.
	47 a Accounts receivable	47a 175,000.	
	b Less: allowance for doubtful accounts	47b	47c 175,000.
	48 a Pledges receivable	48a	48c
	b Less: allowance for doubtful accounts	48b	48c
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	15,984.	53 17,918.
	54 Investments - securities STMT 4 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	284,361.	54 302,824.
	55 a Investments - land, buildings, and equipment basis	55a	
	b Less: accumulated depreciation	55b	55c
56 Investments - other		56	
57 a Land, buildings, and equipment basis	57a 107,218.		
b Less: accumulated depreciation STMT 5	57b 70,388.	57c 36,830.	
58 Other assets (describe <b>SECURITY DEPOSITS</b> )	9,137.	58 9,137.	
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74)	3,087,345.	59 3,074,988.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	46,927.	60 47,497.
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe )		65
66 <b>Total liabilities</b> (add lines 60 through 65)	46,927.	66 47,497.	
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74		
	67 Unrestricted	2,965,418.	67 2,743,991.
	68 Temporarily restricted	75,000.	68 283,500.
	69 Permanently restricted		69
	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 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19, column (B) must equal line 21)	3,040,418.	73 3,027,491.	
74 <b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	3,087,345.	74 3,074,988.	

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	2,077,903.
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$ -9,037.		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) \$		
	Add amounts on lines (1) through (4)	b	-9,037.
c	Line a minus line b	c	2,086,940.
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0.
e	Total revenue per line 12, Form 990 (line c plus line d)	e	2,086,940.

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

a	Total expenses and losses per audited financial statements	a	2,090,830.
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) \$		
	Add amounts on lines (1) through (4)	b	0.
c	Line a minus line b	c	2,090,830.
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	2,090,830.

**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
MERRICK CAREY 4135 LORCOM LANE ARLINGTON, VA 22207	CEO / EXEC. CHAIRMAN 40	312,500.	11,700.	0.
JAMES COURTER 17 MOCKINGBIRD LANE HACKETTSTOWN, NJ 07840	DIRECTOR AND CHAIRMAN 2	30,000.	0.	0.
DONALD SOIFER 3032 Q STREET, NW, APT. 5 WASHINGTON, VA 20007	EXEC. VICE-PRESIDENT 40	190,000.	12,000.	0.
LOREN THOMPSON 807 LAWTON STREET MCLEAN, VA 22101	COO / PRESIDENT 40	312,500.	0.	0.
RUSSELL G. REDENBAUGH P.O. BOX 58668 PHILADELPHIA, PA 19102	DIRECTOR .5	0.	0.	0.
DANIEL STRICKBERGER 30 PETERSVILLE ROAD MT KISCO, NY 10549	DIRECTOR .5	0.	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		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct or indirect political expenditures. See line 81 instructions <input type="checkbox"/> 81a <input type="checkbox"/> 0.		
b	Did the organization file Form 1120-POL for this year?		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III) <input type="checkbox"/> 82b <input type="checkbox"/> N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members <input type="checkbox"/> 85c <input type="checkbox"/> N/A		
d	Section 162(e) lobbying and political expenditures <input type="checkbox"/> 85d <input type="checkbox"/> N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <input type="checkbox"/> 85e <input type="checkbox"/> N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) <input type="checkbox"/> 85f <input type="checkbox"/> N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A		
86	501(c)(7) organizations. Enter a Initiation fees and capital contributions included on line 12 <input type="checkbox"/> 86a <input type="checkbox"/> N/A		
b	Gross receipts, included on line 12, for public use of club facilities <input type="checkbox"/> 86b <input type="checkbox"/> N/A		
87	501(c)(12) organizations. Enter a Gross income from members or shareholders <input type="checkbox"/> 87a <input type="checkbox"/> 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) <input type="checkbox"/> 87b <input type="checkbox"/> N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89 a	501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> 0.; section 4912 <input type="checkbox"/> 0.; section 4955 <input type="checkbox"/> 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		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/> 0.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/> 0.		
90 a	List the states with which a copy of this return is filed <input type="checkbox"/> VIRGINIA		
b	Number of employees employed in the pay period that includes March 12, 2004 <input type="checkbox"/> 90b <input type="checkbox"/> 9		
91	The books are in care of <input type="checkbox"/> THE INSTITUTE Telephone no. <input type="checkbox"/> 703-522-5809		

Located at  1600 WILSON BOULEVARD, SUITE 900, ARLINGTON, VA ZIP + 4  22209

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here  and enter the amount of tax-exempt interest received or accrued during the tax year  92  N/A

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) 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					
96 Dividends and interest from securities			14	24,920.	
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			41	200.	
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					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		25,120.	0.
105 Total (add line 104, columns (B), (D), and (E))					25,120.

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)
▼	

**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**

- (a) Did the organization, during the year, receive any funds, directly or indirectly,
  - (b) Did the organization, during the year, pay premiums, directly or indirectly, on
- 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 furnished to preparer.

Signature of officer: *[Signature]* Date: 5/10

Paid Preparer's Use Only

Preparer's signature: *Paul O. Burk*

Firm's name (or yours if self-employed), address, and ZIP + 4: SWART, LALANDE & ASSOCIATES, 11166 MAIN STREET, SUITE 200, FAIRFAX, VIRGINIA 22031

423161 01-13-05

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

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

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

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

OMB No 1545-0047

**2004**

Name of the organization **THE LEXINGTON INSTITUTE** Employer identification number **54 1880642**

**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
PHILLIP PETERS ----- 1600 N. CLEVELAND, ARLINGTON, VA	VICE-PRES. 40	115,000.	10,000.	
MONICA KERN 501 SLATER'S LANE, #106, ALEXANDRIA, VA	40	52,500.	2,500.	
ROBERT HOLLAND ----- 15056 SILVER LEAF CT., MONTCLAIR, VA	SENIOR FELLOW 40	90,000.	14,000.	
DANIEL GOURE ----- 708 NORTH JACKSON ST, ARLINGTON, VA	SENIOR FELLOW 40	237,500.		
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
<b>1</b> 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 <b>▶</b> \$ _____ \$ _____ (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
<b>2</b> 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.)		
<b>a</b> Sale, exchange, or leasing of property?		X
<b>b</b> Lending of money or other extension of credit?		X
<b>c</b> Furnishing of goods, services, or facilities?		X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
<b>e</b> Transfer of any part of its income or assets?		X
<b>3 a</b> 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>b</b> Do you have a section 403(b) annuity plan for your employees?		X
<b>4 a</b> 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>b</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 )

<b>5</b>	<input type="checkbox"/>	A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)
<b>6</b>	<input type="checkbox"/>	A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
<b>7</b>	<input type="checkbox"/>	A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)
<b>8</b>	<input type="checkbox"/>	A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v)
<b>9</b>	<input type="checkbox"/>	A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state <b>▶</b> _____
<b>10</b>	<input type="checkbox"/>	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 <b>Support Schedule</b> in Part IV-A.)
<b>11a</b>	<input checked="" type="checkbox"/>	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 <b>Support Schedule</b> in Part IV-A.)
<b>11b</b>	<input type="checkbox"/>	A community trust. Section 170(b)(1)(A)(vi). (Also complete the <b>Support Schedule</b> in Part IV-A.)
<b>12</b>	<input type="checkbox"/>	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 <b>Support Schedule</b> in Part IV-A.)
<b>13</b>	<input type="checkbox"/>	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.)	2,305,932.	1,867,291.	2,577,442.	1,797,733.	8,548,398.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	27,918.	44,022.	72,349.	62,690.	206,979.
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	2,333,850.	1,911,313.	2,649,791.	1,860,423.	8,755,377.
24 Line 23 minus line 17	2,333,850.	1,911,313.	2,649,791.	1,860,423.	8,755,377.
25 Enter 1% of line 23	23,339.	19,113.	26,498.	18,604.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 175,108.
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 3,461,286.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 8,755,377.
d Add Amounts from column (e) for lines 18 206,979. 19 22 3,461,286.					26d 3,668,265.
e Public support (line 26c minus line 26d total)					26e 5,087,112.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 58.1027%
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					
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					
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 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					NONE

**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? .....	29	
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? ...	30	
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 ) _____ _____ _____	31	
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? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement ) _____ _____	32d	
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? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement ) _____ _____	33h	
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? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
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.)

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)														
37	Total lobbying expenditures to influence a legislative body (direct lobbying)														
38	Total lobbying expenditures (add lines 36 and 37)														
39	Other exempt purpose expenditures														
40	Total exempt purpose expenditures (add lines 38 and 39)														
41	Lobbying nontaxable amount. Enter the amount from the following table -														
	<table border="0"> <tr> <td style="width: 50%;">If the amount on line 40 is -</td> <td style="width: 50%;">The lobbying nontaxable amount is -</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </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		
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)														
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36														
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38														

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:

Table with columns Yes and No. Rows include 51a(I), a(II), b(I), b(II), b(III), b(IV), b(V), b(VI), and c. All 'No' boxes are checked with an '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

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

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 (X) 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. The table is mostly empty.

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
	LEASEHOLD IMPROVEMENTS											
43	LEASEHOLD IMPROVEMENTS	080102	SL	5.00	16	837.			837.	237.		167.
	* 990 PAGE 2 TOTAL -											
	LEASEHOLD IMPROVEMENTS					837.		0.	837.	237.	0.	167.
	FURNITURE & FIXTURES											
23	DESKS & 6 CHAIRS	062398	SL	7.00	16	1,698.			1,698.	1,337.		243.
14	FURNITURE	081699	SL	7.00	16	1,249.			1,249.	801.		178.
16	FURNITURE	093099	SL	7.00	16	448.			448.	288.		64.
26	5 DRAWER FILE CABINET	010901	SL	7.00	16	104.			104.	45.		15.
27	5 DRAWER LATERAL FILE	010901	SL	7.00	16	464.			464.	198.		66.
28	2 48" WALNUT BOOKCASES	010901	SL	7.00	16	198.			198.	84.		28.
29	DESK & TABLE	020801	SL	7.00	16	1,462.			1,462.	609.		209.
30	5 DRAWER FILE CABINET	121901	SL	7.00	16	348.			348.	100.		50.
32	5 DRAWER FILE CABINET	011801	SL	7.00	16	104.			104.	44.		15.
33	5 DRAWER LATERAL FILE	011801	SL	7.00	16	464.			464.	193.		66.
34	2 48" WALNUT BOOKCASES	011801	SL	7.00	16	198.			198.	82.		28.
36	5 DRAWER LATERAL FILE	081501	SL	7.00	16	829.			829.	285.		118.
40	DESK	081202	SL	7.00	16	494.			494.	100.		71.
44	2 BOOKCASES 76"	011503	SL	7.00	16	585.			585.	84.		84.

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
45	BOOKCASE 84"	011503	SL	7.00	16	312.			312.	45.		45.
46	END TABLE	011503	SL	7.00	16	454.			454.	65.		65.
47	COMPUTER DESK	011503	SL	7.00	16	988.			988.	141.		141.
48	LOVESEAT	011503	SL	7.00	16	1,073.			1,073.	153.		153.
49	CONFERENCE TABLE	032003	SL	7.00	16	2,159.			2,159.	231.		308.
50	12 CONFERENCE TABLE CHAIRS	032003	SL	7.00	16	3,480.			3,480.	373.		497.
51	MAHOGANY CHAIR	032003	SL	7.00	16	244.			244.	26.		35.
53	2 MAHOGANY CHAIRS	052403	SL	7.00	16	488.			488.	41.		70.
	* 990 PAGE 2 TOTAL - FURNITURE & FIXTURES					17,843.		0.	17,843.	5,325.	0.	2,549.
	MACHINERY & EQUIPMENT											
1	OFFICE EQUIPMENT	060198	SL	5.00	16	15,000.			15,000.	14,750.		0.
3	PRINTER	072198	SL	5.00	16	1,225.			1,225.	1,225.		0.
4	GC COMPUTER	082198	SL	5.00	16	1,909.			1,909.	1,909.		0.
5	COPIER	100198	SL	5.00	16	2,391.			2,391.	2,391.		0.
6	TELEPHONE SYSTEM	010499	SL	5.00	16	4,084.			4,084.	3,677.		0.
7	TELEPHONE SYSTEM	030199	SL	5.00	16	4,152.			4,152.	3,735.		138.
8	COMPUTER EQUIPMENT	030199	SL	5.00	16	3,560.			3,560.	3,204.		119.
9	OFFICE EQUIPMENT	041199	SL	5.00	16	1,387.			1,387.	1,247.		69.

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
10	COMPUTER EQUIPMENT	042999	SL	5.00	16	1,735.			1,735.	1,562.		116.
11	TELEPHONE SYSTEM	072099	SL	5.00	16	4,553.			4,553.	4,100.		453.
13	COMPUTER EQUIPMENT	081099	SL	5.00	16	2,995.			2,995.	2,696.		299.
15	TELEPHONE SYSTEM	081699	SL	5.00	16	4,353.			4,353.	3,920.		433.
17	FAX MACHINE	100799	SL	5.00	16	852.			852.	765.		87.
18	TELEPHONE SYSTEM	110399	SL	5.00	16	2,398.			2,398.	2,160.		238.
23(D)	CANON COPIER 6551	022800	SL	5.00	16	14,234.			14,234.	10,913.		2,847.
24	2 DELL COMPUTERS	081500	SL	5.00	16	3,108.			3,108.	2,125.		622.
25	DELL COMPUTER	121600	SL	5.00	16	1,450.			1,450.	870.		290.
31	DELL DESKTOP	022701	SL	5.00	16	1,439.			1,439.	816.		288.
35	DELL COMPUTER	063001	SL	5.00	16	1,287.			1,287.	643.		257.
37	COMPUTER EQUIPMENT	092601	SL	5.00	16	1,594.			1,594.	718.		319.
38	COMPUTER	020702	SL	5.00	16	1,654.			1,654.	634.		331.
39	SOFTWARE, QUICKBOOKS PRO 2002	052202	SL	3.00	16	264.			264.	139.		88.
41	SPEAKERPHONE W/ LCD	090502	SL	7.00	16	585.			585.	112.		84.
42	COMPUTER	122602	SL	5.00	16	3,714.			3,714.	743.		743.
52	DELL COMPUTER	022503	SL	5.00	16	1,380.			1,380.	230.		276.
54	DELL COMPUTER	102703	SL	5.00	16	927.			927.	31.		185.

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
55	MONITOR	112503	SL	5.00	16	611.			611.	10.		122.
56	CANON COPIER	121803	SL	7.00	16	12,269.			12,269.			1,753.
57	DELL COMPUTER	060804	SL	5.00	16	549.			549.			64.
58	DELL COMPUTER	060904	SL	5.00	16	1,024.			1,024.			119.
59	LAPTOP COMPUTER, DELL	081704	SL	5.00	16	2,083.			2,083.			139.
60	VOICE MAIL EQUIPMENT	111104	SL	7.00	16	2,779.			2,779.			66.
61	DELL COMPUTER	122204	SL	5.00	16	1,227.			1,227.			0.
	* 990 PAGE 2 TOTAL - MACHINERY & EQUIPMENT					102,772.		0.	102,772.	65,325.	0.	10,545.
	* GRAND TOTAL 990 PAGE 2 DEPR					121,452.		0.	121,452.	70,887.	0.	13,261.



FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	1
DESCRIPTION		AMOUNT	
UNREALIZED LOSSES ON INVESTMENTS		-9,037.	
TOTAL TO FORM 990, PART I, LINE 20		-9,037.	

FORM 990	OTHER EXPENSES			STATEMENT	2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
CONSULTANTS	137,014.	137,014.			
LOCAL TAXES	2,193.		2,193.		
INSURANCE	5,898.	4,624.	682.		592.
DUES & SUBSCRIPTIONS	9,567.	9,567.			
BANK CHARGES	501.		501.		
RESEARCH	14,245.	14,245.			
PARKING	10,518.	8,247.	1,217.		1,054.
MEALS EXPENSE	8,329.	6,530.	964.		835.
REPAIRS AND MAINTENANCE	9,935.	7,418.	1,569.		948.
CONTRIBUTIONS	2,050.		2,050.		
TOTAL TO FM 990, LN 43	200,250.	187,645.	9,176.		3,429.

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

EXPLANATION

THE INSTITUTE SUPPORTS AND PERFORMS RESEARCH INTO PUBLIC POLICY ISSUES WHICH AFFECT THE RIGHTS, FREEDOM, SECURITY AND QUALITY OF LIFE OF AMERICANS.

FORM 990	NON-GOVERNMENT SECURITIES			STATEMENT	4
SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
SCHWAB INVESTMENT ACCOUNT	FMV	166,490.			166,490.
RIGGS INVESTMENT ACCOUNT	FMV			108,746.	108,746.
T.ROWE PRICE ACCOUNT	FMV			27,588.	27,588.
TO FORM 990, LINE 54, COL B		166,490.		136,334.	302,824.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT		STATEMENT	5
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE	
OFFICE EQUIPMENT	15,000.	14,750.	250.	
3 DESKS & 6 CHAIRS	1,698.	1,580.	118.	
PRINTER	1,225.	1,225.	0.	
GC COMPUTER	1,909.	1,909.	0.	
COPIER	2,391.	2,391.	0.	
TELEPHONE SYSTEM	4,084.	3,677.	407.	
TELEPHONE SYSTEM	4,152.	3,873.	279.	
COMPUTER EQUIPMENT	3,560.	3,323.	237.	
OFFICE EQUIPMENT	1,387.	1,316.	71.	
COMPUTER EQUIPMENT	1,735.	1,678.	57.	
TELEPHONE SYSTEM	4,553.	4,553.	0.	
COMPUTER EQUIPMENT	2,995.	2,995.	0.	
FURNITURE	1,249.	979.	270.	
TELEPHONE SYSTEM	4,353.	4,353.	0.	
FURNITURE	448.	352.	96.	
FAX MACHINE	852.	852.	0.	
TELEPHONE SYSTEM	2,398.	2,398.	0.	
2 DELL COMPUTERS	3,108.	2,747.	361.	
DELL COMPUTER	1,450.	1,160.	290.	
5 DRAWER FILE CABINET	104.	60.	44.	
5 DRAWER LATERAL FILE	464.	264.	200.	
2 48" WALNUT BOOKCASES	198.	112.	86.	
DESK & TABLE	1,462.	818.	644.	
5 DRAWER FILE CABINET	348.	150.	198.	
DELL DESKTOP	1,439.	1,104.	335.	
5 DRAWER FILE CABINET	104.	59.	45.	
5 DRAWER LATERAL FILE	464.	259.	205.	
2 48" WALNUT BOOKCASES	198.	110.	88.	

DELL COMPUTER	1,287.	900.	387.
5 DRAWER LATERAL FILE	829.	403.	426.
COMPUTER EQUIPMENT	1,594.	1,037.	557.
COMPUTER	1,654.	965.	689.
SOFTWARE, QUICKBOOKS PRO 2002	264.	227.	37.
DESK	494.	171.	323.
SPEAKERPHONE W/ LCD	585.	196.	389.
COMPUTER	3,714.	1,486.	2,228.
LEASEHOLD IMPROVEMENTS	837.	404.	433.
2 BOOKCASES 76"	585.	168.	417.
BOOKCASE 84"	312.	90.	222.
END TABLE	454.	130.	324.
COMPUTER DESK	988.	282.	706.
LOVESEAT	1,073.	306.	767.
CONFERENCE TABLE	2,159.	539.	1,620.
12 CONFERENCE TABLE CHAIRS	3,480.	870.	2,610.
MAHOGANY CHAIR	244.	61.	183.
DELL COMPUTER	1,380.	506.	874.
2 MAHOGANY CHAIRS	488.	111.	377.
DELL COMPUTER	927.	216.	711.
MONITOR	611.	132.	479.
CANON COPIER	12,269.	1,753.	10,516.
DELL COMPUTER	549.	64.	485.
DELL COMPUTER	1,024.	119.	905.
LAPTOP COMPUTER, DELL	2,083.	139.	1,944.
VOICE MAIL EQUIPMENT	2,779.	66.	2,713.
DELL COMPUTER	1,227.	0.	1,227.
TOTAL TO FORM 990, PART IV, LN 57	<u>107,218.</u>	<u>70,388.</u>	<u>36,830.</u>

**Depreciation and Amortization  
(Including Information on Listed Property)**

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

Name(s) shown on return	Business or activity to which this form relates	Identifying number
		54-1880642

**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 instructions for a higher limit for certain businesses	1	
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	
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 2003 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 2005. 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 depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election (see instructions)	15	
16 Other depreciation (including ACRS) (see instructions)	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 2004	17	
18 If you are electing under section 168(i)(4) 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 2004 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 2004 Tax Year Using the Alternative Depreciation System**

20a Class life						
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	0.
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 instructions for limits for passenger automobiles.)**

<b>24a</b> Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>24b</b> If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No						
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1								<b>29</b>

**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.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>30</b> Total business/investment miles driven during the year (do not include commuting miles)												
<b>31</b> Total commuting miles driven during the year												
<b>32</b> Total other personal (noncommuting) miles driven												
<b>33</b> Total miles driven during the year. Add lines 30 through 32												
<b>34</b> Was the vehicle available for personal use during off-duty hours?												
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person?												
<b>36</b> Is another vehicle available for personal use?												

**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.

<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		Yes	No
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners			
<b>39</b> Do you treat all use of vehicles by employees as personal use?			
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?			
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? <i>Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.</i>			

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>42</b> Amortization of costs that begins during your 2004 tax year:					
<b>43</b> Amortization of costs that began before your 2004 tax year					<b>43</b>
<b>44</b> Total. Add amounts in column (f). See instructions for where to report					<b>44</b>