

Return of Organization Exempt From Income Tax

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

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service(77)

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

A For the 2007 calendar year, or tax year beginning 2007, and ending

B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending. C National Center For Policy Analysis, 12770 Coit Road #800, Dallas, TX 75251. D Employer Identification Number 75-1804932. E Telephone number 972-308-6465. F Accounting method: Cash, Accrual (checked), Other (specify)

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

G Web site: www.ncpa.org

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

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 9,156,514.

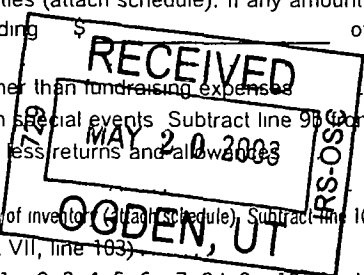
H and I are not applicable to section 527 organizations. H (a) Is this a group return for affiliates? Yes No (checked). H (b) If 'Yes,' enter number of affiliates. H (c) Are all affiliates included? Yes No. H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No (checked).

I Group Exemption Number. M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

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

Table with 21 rows and 4 columns: Description, Sub-column, Amount, Total. Includes sections for Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21). Total revenue: 8,726,229. Total expenses: 6,238,242. Net assets at end of year: 6,365,318.

SCANNED JUN 25 2008



Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See *instruct.*)

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
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A	25a	989,542.	880,692.	59,373.	49,477.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	26,448.	0.	26,448.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c	0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26	1,937,093.	1,564,373.	211,028.	161,692.
27 Pension plan contributions not included on lines 25a, b, and c	27	69,908.	62,218.	4,195.	3,495.
28 Employee benefits not included on lines 25a - 27	28	120,280.	107,049.	7,217.	6,014.
29 Payroll taxes	29	189,861.	168,976.	11,392.	9,493.
30 Professional fundraising fees	30				
31 Accounting fees	31	44,801.	15,232.	27,790.	1,779.
32 Legal fees	32	21,336.	15,942.	5,394.	
33 Supplies	33	101,258.	84,495.	7,570.	9,193.
34 Telephone	34	58,152.	45,390.	5,452.	7,310.
35 Postage and shipping	35	78,901.	68,952.	3,501.	6,448.
36 Occupancy	36	329,440.	299,660.	14,860.	14,920.
37 Equipment rental and maintenance	37	8,751.	4,386.	3,936.	429.
38 Printing and publications	38	135,045.	122,555.	2,941.	9,549.
39 Travel	39	206,803.	193,696.	56.	13,051.
40 Conferences, conventions, and meetings	40	435,442.	414,080.	18,379.	2,983.
41 Interest	41	18,770.	18,770.		
42 Depreciation, depletion, etc (attach schedule)	42	150,559.	150,559.		
43 Other expenses not covered above (itemize)					
a See Attached Schedule C	43a	1,315,852.	1,335,275.	-33,015.	13,592.
b -----	43b				
c -----	43c				
d -----	43d				
e -----	43e				
f -----	43f				
g -----	43g				
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	6,238,242.	5,552,300.	376,517.	309,425.

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 (See the instructions.)

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

What is the organization's primary exempt purpose? Public policy research and education. 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) organizations and 4947(a)(1) trusts, but optional for others)
a See Statement 3 ----- ----- ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	5,552,300.
b ----- ----- ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
c ----- ----- ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
d ----- ----- ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
e Other program services (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	5,552,300.

BAA

Form 990 (2007)

Part IV Balance Sheets (See the instructions.)

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

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing	1,084.	45	1,095.
	46 Savings and temporary cash investments	225,282.	46	627,654.
	47a Accounts receivable			
	b Less. allowance for doubtful accounts			
		3,162.	47c	
	48a Pledges receivable	5,497,070.		
	b Less allowance for doubtful accounts			
	48b	2,901,776.	48c	5,497,070.
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)			
	b Less allowance for doubtful accounts			
	51b		51c	
	52 Inventories for sale or use	5,909.	52	
53 Prepaid expenses and deferred charges	93,390.	53	150,829.	
54a Investments — publicly-traded securities				
b Investments — other securities (attach sch) <i>Sch D</i>				
54b	2,547,340.	54b	2,769,317.	
55a Investments — land, buildings, & equipment basis				
b Less accumulated depreciation (attach schedule)				
55b		55c		
56 Investments — other (attach schedule)		56		
57a Land, buildings, and equipment. basis	874,263.			
b Less accumulated depreciation (attach schedule) <i>Schedule B Statement 4</i>	534,789.			
57b	575,482.	57c	339,474.	
58 Other assets, including program-related investments (describe ▶ _____)		58		
59 Total assets (must equal line 74). Add lines 45 through 58	6,353,425.	59	9,385,439.	
LIABILITIES	60 Accounts payable and accrued expenses	219,079.	60	247,721.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule) <i>See Statement 1a</i>		64b	235,000.
	65 Other liabilities (describe ▶ <i>See Statement 5</i> _____)	2,243,259.	65	2,537,400.
	66 Total liabilities. Add lines 60 through 65	2,462,338.	66	3,020,121.
FUNDS	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	2,439.	67	898,330.
	68 Temporarily restricted	3,548,648.	68	5,226,988.
	69 Permanently restricted	340,000.	69	240,000.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	3,891,087.	73	6,365,318.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	6,353,425.	74	9,385,439.

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

a	Total revenue, gains, and other support per audited financial statements		a	8,712,473.
b	Amounts included on line a but not on Part I, line 12.			
	1 Net unrealized gains on investments	b1		-13,756.
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	-13,756.
c	Subtract line b from line a		c	8,726,229.
d	Amounts included on Part I, line 12, but not on line a:			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and d		e	8,726,229.

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

a	Total expenses and losses per audited financial statements		a	6,238,242.
b	Amounts included on line a but not on Part I, line 17.			
	1 Donated services and use of facilities	b1		
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	6,238,242.
d	Amounts included on Part I, line 17, but not on line a:			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	6,238,242.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
See Attached Schedule E		989,542.	38,284.	16,489.

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III)	82b 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 <i>quid pro quo</i> 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 a	501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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.		N/A
c	Dues, assessments, and similar amounts from members	85c N/A	
d	Section 162(e) lobbying and political expenditures	85d N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b N/A	
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a N/A	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)	87b N/A	
88 a	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
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 ▶ 0., section 4912 ▶ 0., section 4955 ▶ 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90 a	List the states with which a copy of this return is filed ▶ SEE Schedule F		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90b	45
91 a	The books are in care of ▶ Nat Center For Policy Analysis Telephone number ▶ 972-386-6272 Located at ▶ 12770 Coit Road, Suite 800 Dallas TX ZIP + 4 ▶ 75251		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country ▶ Bermuda	91b	X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts			

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91 c Yes No

If 'Yes,' enter the name of the foreign country _____

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here N/A

and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

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

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Conference Admission					220,700.
b Miscellaneous					9,600.
c Research Publications					11,449.
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	14,962.	
96 Dividends & interest from securities			14	33,870.	
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 pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	65,577.	
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))				114,409.	241,749.
105 Total (add line 104, columns (B), (D), and (E))					356,158.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a	Revenue from admission fees charged for education conferences conducted by the organization on public policy issues.
93b	Miscellaneous vendor refunds from the previous year.
93c	Revenue from sales of research publications to the general public.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest
N/A	0%
	0%
	0%
	0%

Part X Information Regarding Transfers Associated with

a Did the organization, during the year, receive any funds, directly or indirectly, to pay p

b Did the organization, during the year, pay premiums, directly or ind

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

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

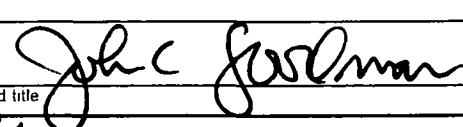
	Yes	No
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
Totals				

	Yes	No
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
Totals				

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?		X

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature of officer  Type or print name and title		Date 5/14/08	
Paid Preparer's Use Only	Preparer's signature	Date	Check if self employed <input type="checkbox"/>	Preparer's SSN or PTIN (See General Instruction X)
	Firm's name (or yours if self employed), address, and ZIP + 4		EIN	Phone no
	Smith, Jackson, Boyer, & Bovard, PLLC 9400 N. Central Expressway, Suite 910 Dallas, TX 75231-5098		5/14/08	<input type="checkbox"/>

SCHEDULE A
(Form 990 or 990-EZ)

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

OMB No 1545 0047

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

2007

Supplementary Information — (See separate instructions.)

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

Department of the Treasury
Internal Revenue Service

Name of the organization: **National Center For Policy Analysis**
Employer identification number: **75-1804932**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See 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 and deferred compensation	(e) Expense account and other allowances
See Statement 8		491,026.	26,541.	1,200.
Total number of other employees paid over \$50,000	▶ 7			

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services	▶ 0	

Part III Statements About Activities (See 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 ▶ \$ <u>N/A</u> (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 9		
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	
See Form 990, Part V See Schedule G		
e Transfer of any part of its income or assets?	X	
3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments)		X
b Did the organization have a section 403(b) annuity plan for its employees?	X	
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement		X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g		X
b Did the organization make any taxable distributions under section 4966?		N/A
c Did the organization make a distribution to a donor, donor advisor, or related person?		N/A
d Enter the total number of donor advised funds owned at the end of the tax year		N/A
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		N/A
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts		0
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year		0

Part IV Reason for Non-Private Foundation Status (See instructions.)

I certify that 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** ▶ _____
- 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.)
- 11 a 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)
- 11 b 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 otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization: ▶
 Type I Type II Type III-Functionally Integrated Type III-Other

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

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					0.

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See 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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) ..	4,849,377.	6,600,187.	5,095,698.	3,825,505.	20,370,767.
16 Membership fees received					0.
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	179,287.	212,417.	136,437.	349,079.	877,220.
18 Gross income from interest, dividends, ams rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975 ..	27,781.	17,502.	11,174.	6,282.	62,739.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
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					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0.
23 Total of lines 15 through 22	5,056,445.	6,830,106.	5,243,309.	4,180,866.	21,310,726.
24 Line 23 minus line 17	4,877,158.	6,617,689.	5,106,872.	3,831,787.	20,433,506.
25 Enter 1% of line 23	50,564.	68,301.	52,433.	41,809.	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				26a 408,670.
	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 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts				26b 4,361,827.
	c Total support for section 509(a)(1) test. Enter line 24, column (e) ..				26c 20,433,506.
	d Add: Amounts from column (e) for lines:	18 62,739.	19		26d 4,424,566.
		22	26b 4,361,827.		
	e Public support (line 26c minus line 26d total) ..				26e 16,008,940.
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ..				26f 78.35 %
27 Organizations described on line 12:	N/A				
	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: (2006) _____ (2005) _____ (2004) _____ (2003) _____				
	b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____				
	c Add: Amounts from column (e) for lines:				27c
	15	16	17	20	21
	d Add: Line 27a total .. and line 27b total ..				27d
	e Public support (line 27c total minus line 27d total)				27e
	f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ..				27f
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g %
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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 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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	4,849,377.	6,600,187.	5,095,698.	3,825,505.	20,370,767.
16 Membership fees received					0.
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	179,287.	212,417.	136,437.	349,079.	877,220.
18 Gross income from interest, dividends, amts rec'd from payments on securities loans (sec 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec 511 taxes) from businesses acquired by the organization after June 30, 1975	27,781.	17,502.	11,174.	6,282.	62,739.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
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					0.
22 Other income Attach a schedule. Do not include gain or (loss) from sale of capital assets					0.
23 Total of lines 15 through 22	5,056,445.	6,830,106.	5,243,309.	4,180,866.	21,310,726.
24 Line 23 minus line 17	4,877,158.	6,617,689.	5,106,872.	3,831,787.	20,433,506.
25 Enter 1% of line 23	50,564.	68,301.	52,433.	41,809.	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				26a 408,670.
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 2003 through 2006 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts					26b 4,406,157.
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c 20,433,506.
d Add Amounts from column (e) for lines	18 62,739.	19	26b 4,406,157.		26d 4,468,896.
e Public support (line 26c minus line 26d total)					26e 15,964,610.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 78.13 %
27 Organizations described on line 12: N/A					
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.	(2006) _____ (2005) _____ (2004) _____ (2003) _____				
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year	(2006) _____ (2005) _____ (2004) _____ (2003) _____				
c Add. Amounts from column (e) for lines	15 _____	16 _____	17 _____	20 _____	21 _____
d Add Line 27a total _____ and line 27b total _____					27c _____
e Public support (line 27c total minus line 27d total)					27d _____
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)	27f _____				27e _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h _____ %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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 instructions.)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		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) ----- ----- -----		
32a	Does the organization maintain the following: a Records indicating the racial composition of the student body, faculty, and administrative staff?		
32b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
32c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
32d	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		
33a	a Students' rights or privileges?		
33b	b Admissions policies?		
33c	c Employment of faculty or administrative staff?		
33d	d Scholarships or other financial assistance?		
33e	e Educational policies?		
33f	f Use of facilities?		
33g	g Athletic programs?		
33h	h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement) ----- ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
34b	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 instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term 'expenditures' means amounts paid or incurred.)			
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)	0.	0.
39	Other exempt purpose expenditures	39	6,238,242.
40	Total exempt purpose expenditures (add lines 38 and 39)	0.	6,238,242.
41	Lobbying nontaxable amount Enter the amount from the following table –		
	If the amount on line 40 is –		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	The lobbying nontaxable amount is –		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
41			461,912.
42	Grassroots nontaxable amount (enter 25% of line 41)	0.	115,478.
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	0.	0.
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	0.	0.

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

4-Year Averaging Period Under Section 501(h)

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

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45	461,912.	444,415.	416,914.	394,374.	1,717,615.
46					2,576,423.
47					0.
48	115,478.	111,104.	104,229.	98,594.	429,405.
49					644,108.
50					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See 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:

- 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.)

Yes	No	Amount

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

Statement 1
Form 990, Part I, Line 8
Net Gain (Loss) from Noninventory Sales

Publicly Traded Securities - Schedule A

Gross Sales Price: 495,862.
 Cost or Other Basis: 316,145.

Total Gain (Loss) Publicly Traded Securities \$ 179,717.

Other Assets Schedule B

Description: Fixed Assets
 Date Acquired: Various
 How Acquired: Purchase
 Date Sold: 12/31/2007
 To Whom Sold:
 Gross Sales Price: 0.
 Cost or Other Basis: 114,140.
 Basis Method: Cost

Gain (Loss) -114,140.

Total Gain (Loss) Other Assets \$ -114,140.

Total Net Gain (Loss) From Noninventory Sales \$ 65,577.

Statement 2
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

Unrealized Losses on Investments Total \$ -13,756.

Statement 3
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
Research and Publications - NCPA conducts scholarly research and analysis on public policy issues, develops and promotes private-sector alternatives to government regulation, publishes and distributes its research results. Includes Foreign Grants: No		3,189,137.
Conferences - NCPA provides education to the general public, the business community and public policy decision makers through briefings, conferences, and lectures on a broad range of policy topics. Includes Foreign Grants: No		1,429,117.
Marketing - NCPA markets its research reports to maximize		

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Statement 3 (continued)
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
their impact. NCPA ideas have been covered in wire service stories, nationally syndicated columns and opinion editorials. Includes Foreign Grants: No		317,011.
Internet - The NCPA internet site links visitors to information on public policy issues. The site includes an online journal, Daily Policy Digest, that summarizes public policy research findings; Debate Central, a resource center for high school debaters presenting both sides, and alternative viewpoints; and web sites for social security, health care, environment, taxes and women in the economy. Includes Foreign Grants: No		617,035.
	<u>\$ 0.</u>	<u>\$ 5,552,300.</u>

Statement 4
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category - Schedule B	Basis	Accum. Deprec.	Book Value
Furniture and Fixtures	\$ 852,590.	\$ 532,622.	\$ 319,968.
Improvements	21,673.	2,167.	19,506.
Total	<u>\$ 874,263.</u>	<u>\$ 534,789.</u>	<u>\$ 339,474.</u>

Statement 5
Form 990, Part IV, Line 65
Other Liabilities

Capital Lease Obligation	\$ 71,791.
Deferred Rent	122,672.
Deferred Retirement Obligation	2,342,937.
Total	<u>\$ 2,537,400.</u>

Statement 6
Form 990, Part V-A, Line 75b
Compensation Paid to Related Individuals

Name and Relationship

John C. Goodman

John C. Goodman is President of NCPA. His wife, Jeanette N. Goodman is Executive Vice President of NCPA.

Statement 7
Form 990, Part VI, Line 76
Activities Not Previously Reported to the IRS

The NCPA has changed from a calendar year end to a 9/30 fiscal year end to align its operations more closely with its fund raising calendar. This will start with the fiscal year end of September 30, 2008.

NCPA has ceased activities related to research and analysis of European public policy. The staff, facilities and capital assets were transferred to an unrelated entity dedicated to that area of research. See Schedule B - Capital Assets

Statement 8
Schedule A, Part I
Compensation of Five Highest Paid Employees

<u>Name and Address</u>	<u>Title & Average Hours Worked</u>	<u>Compensation</u>	<u>Contribut. EBP & DC</u>	<u>Expense Account</u>
Robert McTeer 3 Woodcreek Lane Frisco, TX 75034	Distingd Fellow 0	150,000.	396.	0.
Brian Williams 2447 Woodland Court Chesapeake Beach, MD 20732	VP Govt Affairs 40.00	117,448.	4,963.	1,200.
Thomas Boyles 4214 Swiss Avenue, Unit H Dallas, TX 75204	Dir of Events 40.00	76,646.	5,613.	0.
H. Sterling Burnett 3923 Lois Circle Rowlett, TX 75088	Senior Fellow 0	70,421.	7,785.	0.
Ronald E. Lyon 3621 Flagstone Dr Carrollton, TX 75007	Dir of Online 40.00	76,511.	7,784.	0.
	Total	<u>\$ 491,026.</u>	<u>\$ 26,541.</u>	<u>\$ 1,200.</u>

Statement 9
Schedule A, Part III, Line 2
Transactions with Trustees, Directors, Etc.

See attached Schedules E & G.

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Statement 10

Form 990, Page 4, Part IV, Line 64b, Column B

Other notes payable:

Lender	Compass Bank
Purpose	Line of Credit
Repayment	Interest monthly
Interest rate	Prime + 1%
Date of loan	9/5/2007
Maturity	10/21/2008
Amount of Line	\$750,000
Balance at End of Year	\$235,000

Collateral

Certificate of Deposit	\$231,357
Mutual Funds	\$237,080

Page 1, Part I, Line 8c, Column A and B: Sales and Disposition of Assets

Donated Stock	Date	Date	Gross	Basis		Gain
	Acquired	Sold	Proceeds			(Loss)
NII Holdings	Jan-07	Jan-07	10,137	FMV when donated.	10,301	
				Selling expenses	<u>0</u>	
					10,301	(164)
Wilmington TR	Jan-07	Jan-07	9,623	FMV when donated	9,835	
				Selling expenses	<u>0</u>	
					9,835	(212)
Exxon Mobile	Feb-07	Feb-07	11,179	FMV when donated	11,319	
				Selling expenses	<u>0</u>	
					11,319	(140)
Research in Motion	Feb-07	Feb-07	214,953	FMV when donated	216,224	
				Selling expenses	<u>358</u>	
					216,582	(1,629)
Financial INDS	Apr-07	Apr-07	192	FMV when donated	227	
				Selling expenses.	<u>0</u>	
					227	(35)
NII Holdings	Jun-07	Jun-07	10,173	FMV when donated	10,035	
				Selling expenses	<u>0</u>	
					10,035	138
Exxon Mobile	Oct-07	Oct-07	8,976	FMV when donated.	9,214	
				Selling expenses.	<u>0</u>	
					9,214	(238)
Canadian Natural Res.	Dec-07	Dec-07	2,535	FMV when donated.	2,535	
				Selling expenses.	<u>0</u>	
					2,535	(0)
Chevron	Dec-07	Dec-07	20,527	FMV when donated.	20,527	
				Selling expenses	<u>0</u>	
					20,527	-
EOG Resources	Dec-07	Dec-07	25,570	FMV when donated	25,570	
				Selling expenses	<u>0</u>	
					25,570	-
Realized Gains on Trust	Dec-07	Dec-07	163,587		0	163,587
Realized Gains on Endowment	Dec-07	Dec-07	18,410		0	18,410
Subtotal Gains (Losses) Securities			495,862		316,145	179,717
Loss on Disposal of Fixed Assets	Mar-08		-	Book value at disposal	114,140	(114,140)
Total			<u>495,862</u>		<u>316,145</u>	<u>65,577</u>

Page 2, Part II, Line 42: Depreciation Expense

Page 4, Part IV, Line 57: Capital Assets Used in Exempt Activities

Property	Date in Service	Method	Years	Cost	Prior Years' Depreciation	Current Depreciation	Retirements	Accumulated Depreciation	Book Value	
Office Furniture and Equipment	1985-95	S/L	5	\$ 208,405	\$ 208,405	\$ -	\$ (208,405)	\$ -	\$ -	
Office Furniture and Equipment	1996	S/L	5	11,671	11,671	-	(11,671)	-	-	
Office Furniture and Equipment	1997	S/L	5	42,550	42,550	-	(42,550)	-	-	
Office Furniture and Equipment	1998	S/L	5	44,173	44,173	-	(44,173)	-	-	
Office Furniture and Equipment	1999	S/L	5	74,996	74,996	-	(74,996)	-	-	
Office Furniture and Equipment	2000	S/L	5	56,459	56,459	-	(56,459)	-	-	
Office Furniture and Equipment	2001	S/L	5	57,977	51,536	6,441	(57,977)	57,977	-	
Office Furniture and Equipment	2002	S/L	5	85,015	85,015	-	(85,015)	85,015	-	
Office Furniture and Equipment	2003	S/L	5	63,252	44,275	12,650	-	56,925	6,327	
Office Furniture and Equipment	2004	S/L	5	204,722	102,260	40,944	-	143,204	61,518	
Office Furniture and Equipment	2005	S/L	5	1	227,780	68,334	43,472	(3,426)	111,806	112,548
Office Furniture and Equipment	2006	S/L	5	1	235,355	39,280	23,797	(77,581)	63,077	94,697
Office Furniture and Equipment	2007	S/L	5	1	38,561	-	3,782	(739)	3,782	34,040
Lease Improvements	2004	S/L	5	21,673	8,669	2,167	-	10,836	10,837	
Lease Improvements	2005	S/L	5	1	2,500	500	(500)	(2,500)	-	-
Lease Improvements	2006	S/L	5	1	76,751	15,418	-	(76,751)	-	-
Lease Improvements	2007	S/L	5	21,673	-	2,167	-	2,167	19,506	
Total				\$ 1,473,513	\$ 853,541	\$ 134,920	\$ (742,243)	\$ 534,789	\$ 339,473	

1-Assets transferred to the Center for European Policy Analysis (CEPA)

Assets at cost	\$ 81,746	
Less: Accumulated Depreciation	(12,836)	\$ 874,263
Total Disposal of Assets at Cost	68,910	21,673
		\$ 852,590
Assets Financed with Capital Lease	\$ 79,251	
Less: Lease Obligation	(31,540)	
Less: Accumulated Depreciation	(2,481)	
Total Disposal of Assets Financed	45,230	
Total Loss on Disposal of Assets	<u>\$ 114,140</u>	

Schedule C

Expense	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising	
Advertising	67,874	67,874			67,874
Author Fees	229,053	315,342	(86,289)		229,053
Clip Services	16,180	16,180			16,180
Computer Services	37,652	37,303		349	37,652
Consulting Fees	629,442	570,385	51,557	7,500	629,442
Contract Labor	65,039	62,466		2,573	65,039
Design Services	26,128	26,128			26,128
Dues	7,084	5,817	1,217	50	7,084
Registrations	8,576	4,956	500	3,120	8,576
Editing Fees	9,060	9,060			9,060
Honoraria - Speakers	143,500	143,500			143,500
Newswire Services	24,750	24,750			24,750
Photography/Television/Video	51,514	51,514			51,514
					-
Totals	1,315,852	1,335,275	(33,015)	13,592	1,315,852

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Schedule D

Page 4, Part IV, Line 54b, Column B: Investments - Securities

<u>Investments</u>	<u>Fair Market Value</u>
Certificate of Deposit	231,357
Limited Partnership	80,749
Mutual Funds	237,081
Retirement Trust held in mutual fund securities	<u>2,220,130</u>
Total	<u><u>2,769,317</u></u>

Schedule E

Name and Address	Title	Hrs/Week	Compensation Salary	Bonus	Employee Insurance Benefits Medical/Dental/LTD	403(b) & Deferred Retirement Obligation	Expense Allowances
OFFICERS							
John C. Goodman Dallas, TX	President	40+	395,000	95,000	5,371	9,000 See Note 1	13,598
Jeanette N. Goodman Dallas, TX	Chief Development Officer	40+	248,680	65,000	5,294	7,000 See Note 2	1,668
Richard W. Walker Dallas, TX	Chief Operating Officer	40+	160,862	25,000	5,172	6,447	1,223
BOARD OF DIRECTORS							
Pierre S. du Pont Wilmington, DE	Chairman	1-5	0	0	0	0	0
John C. Goodman Dallas, TX	President	1-5		0	0	0	0
Michael L. Whalen Moline, IL	Director	0-1	0	0	0	0	0
W. Mike Baggett Dallas, TX	Director	0-1	0	0	0	0	0
Don Buchholz Dallas, TX	Director	0-1	0	0	0	0	0
John V. Lattimore, Jr. McKinney, TX	Director	0-1	0	0	0	0	0

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Page 4, Part V: List of Officers, Directors, Trustees and Key Employees

Schedule E

Name and Address	Title	Hrs/Week	Compensation		Employee Insurance Benefits	403(b) & Deferred Retirement Obligation	Expense Allowances
			Salary	Bonus	Medical/Dental/LTD		
Fred R. Meyer Dallas, TX	Director	0-1	0	0	0	0	0
Henry J. "Bud" Smith Dallas, TX	Director	0-1	0	0	0	0	0
James Cleo Thompson Dallas, TX	Director	0-1	0	0	0	0	0
Jere W. Thompson Dallas, TX	Director	0-1	0	0	0	0	0
Raymond E. Wooldridge Dallas, TX	Director	0-1	0	0	0	0	0
Robert J. Wright Dallas, TX	Director	0-1	0	0	0	0	0
Totals			804,542	185,000	15,837	22,447	16,489
				989,542		38,284	16489

Note 1: Includes an employer contribution of \$9,000 to a 403(b) plan, a contribution of \$120,000 to a rabbi trust and appreciation of \$265,937 in the trust. Of the \$120,000 deferred retirement plan contribution, one half was for the current year and one half was for prior years' service. The rabbi trust is owned by the organization, subject to its creditors and subject to forfeiture by the employee. John Goodman is the potential beneficiary of the trust if he remains employed by the organization.

Note 2: Includes an employer contribution of \$7,000. In addition, NCPA entered into a deferred retirement agreement with the employee, permitting the employee to receive two years salary if the employee remains employed at NCPA on January 15, 2011. The amount deferred for 2007 was \$49,123.

Page 7, Part VI, Line 90a: List of states where the 990 is filed:

Alaska
Alabama
Arkansas
Arizona
California
Colorado
Connecticut
Delaware
Florida
Georgia
Illinois
Iowa
Kansas
Kentucky
Louisiana
Maine
Maryland
Massachusetts
Mississippi
New Jersey
New York
North Carolina
Pennsylvania
Texas
Virginia
Washington
Wisconsin

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Schedule G

Schedule A, Page 2, Part III, Line 2d: Statement of Activities with Related Parties

NCPA officers, directors, and key employees were reimbursed for business expenses. Reimbursements were for actual expenses in carrying out the organization's activities and receipts were provided.

<u>Name of Officer, Director, Key Employee</u>	<u>Amount</u>
Goodman, John	\$5,314
Goodman, Jeanette	8,225
Walker, Richard	1,978
Williams, Brian	2,083
Boyles, Thomas	1,217
Burnett, H. Sterling	2,585
du Pont, Peter	4,662
Total	<u>\$26,064</u>