

Return of Organization Exempt from Income Tax

2004

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

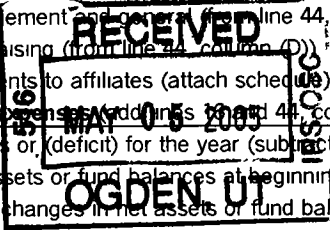
Department of the Treasury Internal Revenue Service

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

Form 990 header section A-M containing organization details like name (STATE POLICY NETWORK), EIN (57-0952531), and address (6255 ARLINGTON BLVD, RICHMOND, CA 94805).

Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

Main table with 21 rows detailing revenue (Total revenue: 699,635) and expenses (Total expenses: 543,315), resulting in a net asset increase of 156,320.



SCANNED JUN 06 2005

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (att sch) (cash \$ 84,410. non-cash \$ 0.)	84,410.	84,410.		
23	Specific assistance to individuals (att sch)	0.	0.		
24	Benefits paid to or for members (att sch)	0.	0.		
25	Compensation of officers, directors, etc	80,000.	43,333.	12,334.	24,333.
26	Other salaries and wages	0.	0.	0.	0.
27	Pension plan contributions ..	0.	0.	0.	0.
28	Other employee benefits	7,343.	0.	7,343.	0.
29	Payroll taxes ..	6,407.	3,472.	999.	1,936.
30	Professional fundraising fees .	0.	0.	0.	0.
31	Accounting fees .	8,781.	0.	8,781.	0.
32	Legal fees	6,072.	0.	6,072.	0.
33	Supplies	2,156.	1,231.	515.	410.
34	Telephone	5,917.	855.	4,662.	400.
35	Postage and shipping	13,066.	10,328.	1,862.	876.
36	Occupancy	0.	0.	0.	0.
37	Equipment rental and maintenance	136.	0.	136.	0.
38	Printing and publications	24,265.	21,526.	1,691.	1,048.
39	Travel	72,451.	53,922.	8,071.	10,458.
40	Conferences, conventions, and meetings	100,245.	79,528.	12,217.	8,500.
41	Interest	0.	0.	0.	0.
42	Depreciation, depletion, etc (attach schedule)	3,846.	0.	3,846.	0.
43	Other expenses not covered above (itemize):				
a	INSURANCE	3,939.	0.	3,939.	0.
b	CONTRACT SERVICES	45,969.	45,511.	0.	458.
c	MISCELLANEOUS	962.	0.	962.	0.
d	INFORMATION RESOURCES	6,362.	4,691.	443.	1,228.
e	See Other Expenses Stmt	70,988.	52,486.	12,845.	5,657.
44	Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	543,315.	401,293.	86,718.	55,304.

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 \$ _____

Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? <u>PUBLIC POLICY WORKSHOPS</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a RECRUIT ADJUNCT SCHOLARS WILLING TO SERVE ON THE BOARDS OF ADVISORS OF STATE-BASED THINK TANKS. PRODUCE A MEDIA GUIDE FOR USE BY MEMBERS. CREATE AN ECONOMIC AND REGULATORY INDEX WHICH COMPARES DIFFERENT LEVELS OF REGULATION AND TAXATION IN VARIOUS STATES. (Grants and allocations \$ 84,410.)	401,293.
b _____ (Grants and allocations \$ _____)	
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	401,293.

Balance Sheets (See Instructions)

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash – non-interest-bearing	29,544.	45	54,071.
	46 Savings and temporary cash investments	434,784.	46	550,564.
	47 a Accounts receivable	47 a 0.		
	b Less: allowance for doubtful accounts	47 b	493.	47 c 0.
	48 a Pledges receivable	48 a		
	b Less: allowance for doubtful accounts	48 b		48 c
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch)	51 a		
	b Less: allowance for doubtful accounts	51 b		51 c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	647.	53	6,770.
	54 Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments – land, buildings, & equipment: basis	55 a		
b Less: accumulated depreciation (attach schedule)	55 b		55 c	
56 Investments – other (attach schedule)		56		
57 a Land, buildings, and equipment: basis	57 a 14,960.			
b Less: accumulated depreciation (attach schedule)	57 b 8,660.	10,146.	57 c 6,300.	
58 Other assets (describe ► _____)		58		
59 Total assets (add lines 45 through 58) (must equal line 74)	475,614.	59	617,705.	
LIABILITIES	60 Accounts payable and accrued expenses	22,631.	60	8,402.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)		64 b	
	65 Other liabilities (describe ► _____)		65	
66 Total liabilities (add lines 60 through 65)	22,631.	66	8,402.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	303,877.	67	415,331.
	68 Temporarily restricted	149,106.	68	193,972.
	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 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	452,983.	73	609,303.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	475,614.	74	617,705.

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.

BAA

Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)			Reconciliation of Expenses per Audited Financial Statements with Expenses per Return		
a	Total revenue, gains, and other support per audited financial statements	a 739,635.	a	Total expenses and losses per audited financial statements	a 583,315.
b	Amounts included on line a but not on line 12, Form 990.		b	Amounts included on line a but not on line 17, Form 990	
	(1) Net unrealized gains on investments \$			(1) Donated services and use of facilities \$ 40,000.	
	(2) Donated services and use of facilities \$ 40,000.			(2) Prior year adjustments reported on line 20, Form 990 \$	
	(3) Recoveries of prior year grants \$			(3) Losses reported on line 20, Form 990 \$	
	(4) Other (specify):			(4) Other (specify):	
	----- \$			----- \$	
	Add amounts on lines (1) through (4)	b 40,000.		Add amounts on lines (1) through (4)	b 40,000.
c	Line a minus line b	c 699,635.	c	Line a minus line b	c 543,315.
d	Amounts included on line 12, Form 990 but not on line a:		d	Amounts included on line 17, Form 990 but not on line a:	
	(1) Investment expenses not included on line 6b, Form 990 \$			(1) Investment expenses not included on line 6b, Form 990 \$	
	(2) Other (specify):			(2) Other (specify):	
	----- \$			----- \$	
	Add amounts on lines (1) and (2)	d		Add amounts on lines (1) and (2)	d
e	Total revenue per line 12, Form 990 (line c plus line d)	e 699,635.	e	Total expenses per line 17, Form 990 (line c plus line d)	e 543,315.

List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see 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	(E) Expense account and other allowances
CARL O. HELSTROM, III 6255 ARLINGTON BLVD RICHMOND, CA 94805	CHAIRMAN/SEC 0	0.	0.	0.
BYRON S. LAMM 6255 ARLINGTON BLVD RICHMOND, CA 94805	TREASURER 0	0.	0.	0.
THEODORE D. ABRAM 6255 ARLINGTON BLVD RICHMOND, CA 94805	DIRECTOR 0	0.	0.	0.
ALEJANDRO A. CHAFUEN 6255 ARLINGTON BLVD RICHMOND, CA 94805	DIRECTOR 0	0.	0.	0.
DERWOOD S. CHASE, JR 6255 ARLINGTON BLVD RICHMOND, CA 94805	DIRECTOR 0	0.	0.	0.
See List of Officers, Etc. Statement		80,000.	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 - see instructions

Yes No

Other Information (See instructions)		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
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	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.		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	0.
81b	Did the organization file Form 1120-POL for this year?		X
82a	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	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	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?	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	
	b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	
	If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	c Dues, assessments, and similar amounts from members	85c	
	d Section 162(e) lobbying and political expenditures	85d	
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) organizations. Enter a Initiation fees and capital contributions included on line 12	86a	
	b Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) organizations Enter a Gross income from members or shareholders	87a	
	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88	X
89a	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		
89b	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.		
90a	List the states with which a copy of this return is filed ▶ INDIANA		
	b Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	1
91	The books are in care of ▶ TRACIE SHARP Telephone number ▶ (510) 965-9700 Located at ▶ 6255 ARLINGTON BLVD, RICHMOND CA ZIP + 4 ▶ 94805-1601		
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		

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

STATE POLICY NETWORK

Employer identification number

57-0952531

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
NONE				

Total number of other employees paid over \$50,000	None			

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	None	

Statements About Activities (See instructions.)

Table with columns for question number, description, Yes, and No. Includes questions 1 through 4b regarding lobbying activities, property sales, lending, and compensation.

Reason for Non-Private Foundation Status (See instructions)

- List of reasons for non-private foundation status, including 5 through 13, with checkboxes and descriptions of applicable sections.

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

Table with two columns: (a) Name(s) of supported organization(s) and (b) Line number from above.

- Question 14: An organization organized and operated to test for public safety Section 509(a)(4). (See instructions.)

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.)	681,852.	556,497.	382,243.	312,228.	1,932,820.
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.	4,990.	3,700.	2,250.	5,000.	15,940.
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.	2,905.	13,750.	7,003.	7,029.	30,687.
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.	689,747.	573,947.	391,496.	324,257.	1,979,447.
24 Line 23 minus line 17	684,757.	570,247.	389,246.	319,257.	1,963,507.
25 Enter 1% of line 23.	6,897.	5,739.	3,915.	3,243.	
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a 39,270.
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 833,742.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 1,963,507.
d Add: Amounts from column (e) for lines	18 30,687.	19	22	26b 833,742.	26d 864,429.
e Public support (line 26c minus line 26d total)					26e 1,099,078.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 55.98 %
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.	(2003) _____	(2002) _____	(2001) _____	(2000) _____	
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.	(2003) _____	(2002) _____	(2001) _____	(2000) _____	
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)					27e _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27f _____
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27g _____ %
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					27h _____ %

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.) ----- ----- -----		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement) ----- -----		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement.) ----- -----		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation		

Lobbying Expenditures by Electing Public Charities (See instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

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
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table –			
If the amount on line 40 is –	The lobbying nontaxable amount is –		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38.	44		

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

4 -Year Averaging Period Under Section 501(h)

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

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

Lobbying Activity by Nonelecting Public Charities

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

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
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	

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

**FORM 990, SCH. A,
PART IV-A - ORGANIZATIONS DESCRIBED IN PART IV, BOX 10 OR 11
Not Open To Public Inspection**

List of Donors	<u>Total</u>	<u>2%</u> 39270	<u>EXCESS</u>
	230,000		190,730
	160,000		120,730
	65,000		25,730
	125,000		85,730
	120,000		80,730
	250,000		210,730
	82,712		43,442
	50,000		10,730
	50,000		10,730
	60,000		20,730
	<u>73,000</u>		<u>33,730</u>
			-
	1,730,137		833,742

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

2004

67

Department of the Treasury
Internal Revenue Service

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

Name(s) shown on return

Identifying number

STATE POLICY NETWORK

57-0952531

Business or activity to which this form relates

Form 990 / Form 990EZ

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	\$102,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$410,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2003 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	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

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	452.

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	3,394.
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		

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	
i Nonresidential real property			27.5 yrs	MM	S/L	
			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					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

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 instructions	22	3,846.
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	

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.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If 'Yes,' is the evidence written? Yes 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
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25
26 Property used more than 50% in a qualified business use (see instructions).
27 Property used 50% or less in a qualified business use (see instructions):
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

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

30 Total business/investment miles driven during the year (do not include commuting miles - see instructions) (a) Vehicle 1 (b) Vehicle 2 (c) Vehicle 3 (d) Vehicle 4 (e) Vehicle 5 (f) Vehicle 6
31 Total commuting miles driven during the year
32 Total other personal (noncommuting) miles driven
33 Total miles driven during the year. Add lines 30 through 32
34 Was the vehicle available for personal use during off-duty hours? Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person? Yes No
36 Is another vehicle available for personal use? Yes No

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 (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? Yes No
38 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
39 Do you treat all use of vehicles by employees as personal use?
40 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?
41 Do you meet the requirements concerning qualified automobile demonstration use? (see instructions)
Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

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
42 Amortization of costs that begins during your 2004 tax year (see instructions):
43 Amortization of costs that began before your 2004 tax year 43
44 Total. Add amounts in column (f) See instructions for where to report 44

Federal 990 Depreciation Report
Regular Tax

Activity .. Form 990 / Form 990EZ - 2004

Total cost of goods sold ..

Description	In Service	Cost	Land	Bus %	Type	Class	Conv	Depr
Cost of Goods Sold	Disposed	Basis	Sec. 179	Listed	Mthd	Life	Year	Prior
COMPUTER SOFTWARE	07/10/01	2,712.		100.00	NP		NA	452.
		2,712.			SL	3.00	4	2,260.
COMPUTER	04/05/02	2,896.		100.00	MACRS	5	HY	579.
		2,896.			SL	5.00	3	1,002.
PRINTER	05/07/02	422.		100.00	MACRS	5	HY	85.
		422.			SL	5.00	3	126.
FAX MACHINE	05/07/02	303.		100.00	MACRS	5	HY	61.
		303.			SL	5.00	3	91.
COMPUTER	02/07/03	4,735.		100.00	MACRS	3	HY	1,578.
		4,735.			SL	3.00	2	789.
DESK AND FILING CABINETS	03/10/03	1,545.		100.00	MACRS	5	HY	309.
		1,545.			SL	5.00	2	155.
LCD	09/08/03	2,347.		100.00	MACRS	3	HY	782.
		2,347.			SL	3.00	2	391.
Total		<u>14,960.</u>						<u>3,846.</u>
		<u>14,960.</u>						<u>4,814.</u>

Federal 990 Depreciation Report
Alternative Minimum Tax

Activity . Form 990 / Form 990EZ - 2004

Passive adjustment

Passive preference

Description	Real	Passive	AMT Cost	AMT Life	AMT Depr	AMT Adj
			AMT Basis	AMT Mthd	AMT Prior	AMT Pref
COMPUTER SOFTWARE	<input type="checkbox"/>	<input type="checkbox"/>	2,712.	3.00	452.	0.
			2,712.	SL	2,260.	
COMPUTER	<input type="checkbox"/>	<input type="checkbox"/>	2,896.	5.00	579.	0.
			2,896.	SL	1,002.	
PRINTER	<input type="checkbox"/>	<input type="checkbox"/>	422.	5.00	85.	0.
			422.	SL	126.	
FAX MACHINE	<input type="checkbox"/>	<input type="checkbox"/>	303.	5.00	61.	0.
			303.	SL	91.	
COMPUTER	<input type="checkbox"/>	<input type="checkbox"/>	4,735.	3.00	1,578.	0.
			4,735.	SL	789.	
DESK AND FILING CABINETS	<input type="checkbox"/>	<input type="checkbox"/>	1,545.	5.00	309.	0.
			1,545.	SL	155.	
LCD	<input type="checkbox"/>	<input type="checkbox"/>	2,347.	3.00	782.	0.
			2,347.	SL	391.	
Total			<u>14,960.</u>		<u>3,846.</u>	<u>0.</u>
			<u>14,960.</u>		<u>4,814.</u>	

Form 4562

Special Depreciation Allowance ReportActivity: Form 990 / Form 990EZ - 2004

Description	In Service	AMT Cost	AMT Basis	AMT SDA	Cost	SDA Basis	SDA
COMPUTER SOFTWARE	07/10/01	2,712.			2,712.		
COMPUTER	04/05/02	2,896.			2,896.		
PRINTER	05/07/02	422.			422.		
FAX MACHINE	05/07/02	303.			303.		
COMPUTER	02/07/03	4,735.			4,735.		
DESK AND FILING CABINETS	03/10/03	1,545.			1,545.		
LCD	09/08/03	2,347.			2,347.		
Total		<u>14,960.</u>			<u>14,960.</u>		

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

Other expenses not covered above (itemize):	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
DUES & SUBSCRIPTIONS	1,222.	75.	601.	546.
ELECTRONIC COMM-WEB	4,091.	3,588.	503.	0.
PROJECT EXPENSE	65,675.	48,823.	11,741.	5,111.
Total	70,988.	52,486.	12,845.	5,657.

Form 990, Page 4, Part V

List of Officers, Etc. Statement

(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	(E) Expense account and other allowances
ROBERT W. POOLE, JR 6255 ARLINGTON BLVD RICHMOND, CA 94805	DIRECTOR 0	0.	0.	0.
LAWRENCE W. REED 6255 ARLINGTON BLVD RICHMOND, CA 94805	DIRECTOR 0	0.	0.	0.
TRACIE SHARP 6255 ARLINGTON BLVD RICHMOND, CA 94805	PRESIDENT 40	80,000.	0.	0.
GAYLORD SWIM 6255 ARLINGTON BLVD RICHMOND, CA 94805	DIRECTOR 0	0.	0.	0.
GISELE HUFF 6255 ARLINGTON BLVD RICHMOND, CA 94805	DIRECTOR 0	0.	0.	0.

Total

<u>80,000.</u>	<u>0.</u>	<u>0.</u>
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