

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

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**, 2007

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

C Name of organization: **STATE POLICY NETWORK**
 Number and street (or P O box if mail is not delivered to street addr) Room/suite: PO BOX 5208
 City, town or country: RICHMOND State: CA ZIP code + 4: 94805

D Employer Identification Number: 57-0952531

E Telephone number: (510) 965-9700

F Accounting method: Cash Accrual Other (specify)

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

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

G Web site: WWW.SPN.ORG

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

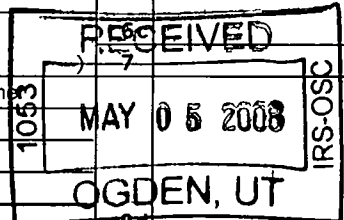
K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12: 2,632,137.

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

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

1	Contributions, gifts, grants, and similar amounts received				
a	Contributions to donor advised funds				
b	Direct public support (not included on line 1a)				
c	Indirect public support (not included on line 1a)				
d	Government contributions (grants) (not included on line 1a)				
e	Total (add lines 1a through 1d) (cash \$ 2,562,853. noncash \$)				2,562,853.
2	Program service revenue including government fees and contracts (from Part VII, line 93)				4,885.
3	Membership dues and assessments				
4	Interest on savings and temporary cash investments				
5	Dividends and interest from securities				54,399.
6a	Gross rents				
b	Less rental expenses				
c	Net rental income or (loss) Subtract line 6b from line 6a				
7	Other investment income (describe)				
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b	Less cost or other basis and sales expenses				
c	Gain or (loss) (attach schedule)				
d	Net gain or (loss) Combine line 8c, columns (A) and (B)				
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ of contributions reported on line 1b)				
b	Less direct expenses other than fundraising expenses				
c	Net income or (loss) from special events. Subtract line 9b from line 9a				
10a	Gross sales of inventory, less returns and allowances				
b	Less cost of goods sold				
c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a				
11	Other revenue (from Part VII, line 103)				10,000.
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				2,632,137.
13	Program services (from line 44, column (B))				1,705,215.
14	Management and general (from line 44, column (C))				208,904.
15	Fundraising (from line 44, column (D))				257,257.
16	Payments to affiliates (attach schedule)				
17	Total expenses. Add lines 16 and 44, column (A)				2,171,376.
18	Excess or (deficit) for the year Subtract line 17 from line 12				460,761.
19	Net assets or fund balances at beginning of year (from line 73, column (A))				985,076.
20	Other changes in net assets or fund balances (attach explanation) See L-20 Stmt				465.
21	Net assets or fund balances at end of year Combine lines 18, 19, and 20				1,446,302.



SCANNED JUN 06 2008

RECEIVED

EXPENSES

ASSETS

917-19 20

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 \$ 884,142. non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	884,142.	884,142.	
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 See L-25a Stmt	25a	130,000.	89,150.	32,100.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b			
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			
26 Salaries and wages of employees not included on lines 25a, b, and c	26	110,240.	63,939.	15,838.
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28	11,705.	750.	10,955.
29 Payroll taxes	29	15,785.	10,314.	2,762.
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33	10,991.	3,884.	6,246.
34 Telephone	34	16,699.	5,473.	11,016.
35 Postage and shipping	35	137,753.	26,448.	2,226.
36 Occupancy	36			
37 Equipment rental and maintenance	37	1,156.	22.	1,134.
38 Printing and publications	38	117,772.	53,683.	4,031.
39 Travel	39	95,809.	79,067.	2,303.
40 Conferences, conventions, and meetings	40	34,789.	22,905.	6,375.
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42	6,609.	5,191.	635.
43 Other expenses not covered above (itemize)				
a BANK SERVICE CHARGES	43a	4,032.	0.	4,032.
b BOOK DEPRECIATION	43b	1,619.	1,272.	155.
c DUES & SUBSCRIPTIONS	43c	26,326.	24,022.	734.
d ELECTRONIC COMM-WEB	43d	24,943.	23,664.	1,279.
e INFORMATION RESOURCES	43e	27,534.	14,147.	2,075.
f INSURANCE	43f	10,459.	0.	10,459.
g See Other Expenses Stmt	43g	503,013.	397,142.	94,549.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	2,171,376.	1,705,215.	208,904.

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? <u>PUBLIC POLICY WORKSHOPS</u> 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 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 \$ 884,142.) If this amount includes foreign grants, check here <input type="checkbox"/>	1,705,215.
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)	1,705,215.

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	439,371.	45	931,907.	
	46 Savings and temporary cash investments	527,314.	46	514,178.	
	47a Accounts receivable	47a 10,000.			
	b Less: allowance for doubtful accounts	47b	2,355.	47c 10,000.	
	48a Pledges receivable	48a			
	b Less: allowance for doubtful accounts	48b		48c	
	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)	51a			
	b Less: allowance for doubtful accounts	51b		51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges		26,141.	53 26,691.	
	54a Investments — publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a	
	b Investments — other securities (attach sch) L-54b Stmt <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV		2,082.	54b 0.	
55a Investments — land, buildings, & equipment: basis	55a				
b Less: accumulated depreciation (attach schedule)	55b		55c		
56 Investments — other (attach schedule)			56		
57a Land, buildings, and equipment: basis	57a 44,078.				
b Less: accumulated depreciation (attach schedule)	57b 29,491.	15,489.	57c 14,587.		
58 Other assets, including program-related investments (describe ▶ _____)			58		
59 Total assets (must equal line 74) Add lines 45 through 58		1,012,752.	59	1,497,363.	
LIABILITIES	60 Accounts payable and accrued expenses	27,676.	60	51,061.	
	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)		64b		
	65 Other liabilities (describe ▶ _____)		65		
	66 Total liabilities. Add lines 60 through 65		27,676.	66	51,061.
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	799,542.	67	1,277,846.	
	68 Temporarily restricted	185,534.	68	168,456.	
	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 and column (B) must equal line 21)		985,076.	73	1,446,302.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		1,012,752.	74	1,497,363.

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	2,632,602.
b	Amounts included on line a but not on Part I, line 12:			
	1 Net unrealized gains on investments	b1		465.
	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	465.
c	Subtract line b from line a		c	2,632,137.
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	2,632,137.

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

a	Total expenses and losses per audited financial statements		a	2,171,376.
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	2,171,376.
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	2,171,376.

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
TRACIE SHARP 6255 ARLINGTON BLVD RICHMOND, CA 94805	PRESIDENT 40.00	130,000.	0.	0.
CARL O. HELSTROM, III 654 MADISON AVENUE NEW YORK NY 10065	CHAIRMAN 0.00	0.	0.	0.
GISELE HUFF, PHD 600 MONTGOMERY STREET SAN FRANCISCO CA 94111	TREASURER 0.00	0.	0.	0.
BARBARA WELLS KENNEY 16245 SE 31ST STREET BELLEVUE WA 98008	SECRETARY 0.00	0.	0.	0.
BRIDGETT G. WAGNER 214 MASSACHUSETTS AVENUE WASHINGTON DC 20002	DIRECTOR 0.00	0.	0.	0.
See List of Officers, Directors, Trustees, & Key Employees Statement				

Part V-A Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>	Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ <u>10</u>		
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s)	75b	X
c Do any officers, directors, trustees, or key employees listed in form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of 'related organization' If 'Yes,' attach a statement that includes the information described in the instructions.	75c	X
d Does the organization have a written conflict of interest policy?	75d	X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances

Part VI Other Information <i>(See the instructions.)</i>	Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If 'Yes,' attach a detailed statement of each change	76	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	77	X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	78b	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	79	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?	80a	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	
b Did the organization file Form 1120-POL for this year?	81b	X

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	
82 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.)		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 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
84 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	N/A	
85 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	
85 c	Dues, assessments, and similar amounts from members	N/A	
85 d	Section 162(e) lobbying and political expenditures	N/A	
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85 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 a	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	N/A	
86 b	Gross receipts, included on line 12, for public use of club facilities	N/A	
87 a	501(c)(12) organizations. Enter: a Gross income from members or shareholders	N/A	
87 b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	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
88 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 <u>0</u> ; section 4912 <u>0</u> ; section 4955 <u>0</u> .		
89 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
89 c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0</u> .		
89 d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <u>0</u> .		
89 e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 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 <u>-----</u>		
90 b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)		2
91 a	The books are in care of <u>HOLLY HALL</u> Telephone number <u>(703) 392-0383</u> Located at <u>7521 PRESIDENTIAL LANE</u> <u>MANASSAS</u> <u>VA</u> ZIP + 4 <u>20109-2629</u>		
91 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 <u>-----</u>		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)

Yes No

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

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a EVENT REGISTRATION					4,885.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	54,399.	
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			14	465.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b REIMBURSED EXPENSES					10,000.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				54,864.	14,885.
105 Total (add line 104, columns (B), (D), and (E))					69,749.

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	REGISTRATION MONEY FOR EVENT RELATED TO EXEMPT PURPOSE

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

N/A

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C)	(D)	(E)
	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 pre-

b Did the organization, during the year, pay premiums, directly or indire-

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).

N/A	
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

	(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

	(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?

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.

Please Sign Here

Signature of officer: Tracie J. Sharp Date: 4/28/08

Type or print name and title: Tracie J. Sharp, President

Paid Preparer's Use Only

Preparer's signature: Daniel C. Bumanasit, CPA Date: 4/28/08

Firm's name (or yours if self-employed), address, and ZIP + 4: Hendershot, Burkhardt & Reed, CPAs
7525 Presidential Lane
Manassas VA 20109

Check if self-employed: Preparer's SSN or PTIN (See General Instruction X): AG0234622

EIN: 54-1807239 Phone no: (703) 361-1592

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 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

2007

Name of the organization STATE POLICY NETWORK	Employer identification number 57-0952531
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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
JENNIFER BUTLER WEST PALM BEACH FL 33407	V. PRES. 40.00	103,414.	15,500.	0.

Total number of other employees paid over \$50,000 ▶		1		

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 ▶		None

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 ▶		None

Part III Statements About Activities (See instructions.)

	Yes	No
<p>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 ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)</p> <p>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</p>	1	X
<p>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)</p>		
<p>a Sale, exchange, or leasing of property?</p>	2a	X
<p>b Lending of money or other extension of credit?</p>	2b	X
<p>c Furnishing of goods, services, or facilities?</p>	2c	X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p> <p style="text-align: right;">See Part V, Form 990</p>	2d	X
<p>e Transfer of any part of its income or assets?</p> <p style="text-align: right;">See Line 2 Stmt</p>	2e	X
<p>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)</p>	3a	X
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b	X
<p>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</p>	3c	X
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d	X
<p>4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g</p>	4a	X
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b	
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c	
<p>d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____</p>		
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____</p>		
<p>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 ▶ _____</p>		0
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____</p>		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					▶

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)	1,235,784.	972,162.	685,322.	681,852.	3,575,120.												
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	5,182.	7,900.	9,271.	4,990.	27,343.												
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	40,624.	15,889.	5,042.	2,905.	64,460.												
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 See L-22 Stmt	-287.	6,141.			5,854.												
23 Total of lines 15 through 22	1,281,303.	1,002,092.	699,635.	689,747.	3,672,777.												
24 Line 23 minus line 17	1,276,121.	994,192.	690,364.	684,757.	3,645,434.												
25 Enter 1% of line 23	12,813.	10,021.	6,996.	6,897.													
26 Organizations described on lines 10 or 11:	<p>a Enter 2% of amount in column (e), line 24</p> <p>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</p> <p>c Total support for section 509(a)(1) test: Enter line 24, column (e)</p> <p>d Add: Amounts from column (e) for lines</p> <table style="display: inline-table; vertical-align: middle;"> <tr> <td style="text-align: right;">18</td> <td style="text-align: right;">64,460.</td> <td style="text-align: right;">19</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">22</td> <td style="text-align: right;">5,854.</td> <td style="text-align: right;">26b</td> <td style="text-align: right;">834,768.</td> </tr> </table> <p>e Public support (line 26c minus line 26d total)</p> <p>f Public support percentage (line 26e (numerator) divided by line 26c (denominator))</p>				18	64,460.	19	_____	22	5,854.	26b	834,768.	<p>26a 72,909.</p> <p>26b 834,768.</p> <p>26c 3,645,434.</p> <p>26d 905,082.</p> <p>26e 2,740,352.</p> <p>26f 75.17 %</p>				
18	64,460.	19	_____														
22	5,854.	26b	834,768.														
27 Organizations described on line 12:	<p>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</p> <p>(2006) _____ (2005) _____ (2004) _____ (2003) _____</p> <p>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:</p> <p>(2006) _____ (2005) _____ (2004) _____ (2003) _____</p> <p>c Add. Amounts from column (e) for lines</p> <table style="display: inline-table; vertical-align: middle;"> <tr> <td style="text-align: right;">15</td> <td style="text-align: right;">_____</td> <td style="text-align: right;">16</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">17</td> <td style="text-align: right;">_____</td> <td style="text-align: right;">20</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">21</td> <td style="text-align: right;">_____</td> <td style="text-align: right;">27c</td> <td style="text-align: right;">_____</td> </tr> </table> <p>d Add Line 27a total _____ and line 27b total _____</p> <p>e Public support (line 27c total minus line 27d total)</p> <p>f Total support for section 509(a)(2) test Enter amount from line 23, column (e) 27f _____</p> <p>g Public support percentage (line 27e (numerator) divided by line 27f (denominator))</p> <p>h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</p>				15	_____	16	_____	17	_____	20	_____	21	_____	27c	_____	<p>27g %</p> <p>27h %</p>
15	_____	16	_____														
17	_____	20	_____														
21	_____	27c	_____														

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) ----- -----		
33a	Does the organization discriminate by race in any way with respect to 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)

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		(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)	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 – <table border="0" style="width: 100%; margin-top: 5px;"> <tr> <td style="width: 50%;">If the amount on line 40 is –</td> <td style="width: 50%;">The lobbying nontaxable amount is –</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>	If the amount on line 40 is –	The lobbying nontaxable amount is –	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000	41	
If the amount on line 40 is –	The lobbying nontaxable amount is –														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
42	Grassroots nontaxable amount (enter 25% of line 41)	42													
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43													
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44													
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720															

4 -Year Averaging Period Under Section 501(h)

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

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	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				

Part VI-B 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
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

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

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

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

Name(s) shown on return

STATE POLICY NETWORK

Identifying number

57-0952531

Business or activity to which this form relates

Form 990 / Form 990EZ

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See the instructions for a higher limit for certain businesses	1	\$125,000.
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	\$500,000.
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 2006 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 2008 Add lines 9 and 10, less line 12	▶ 13	

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

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

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	0.

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

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	5,512.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶ <input type="checkbox"/>	

Section B – Assets Placed in Service During 2007 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		6,257.	5.0 yrs	MQ	200DB	969.
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			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28	21	128.
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	6,609.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	▶ 23	

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

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

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

24a Do you have evidence to support the business/investment use claimed?				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	24b If 'Yes,' is the evidence written?				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost				
25 Special allowance for qualified Gulf Opportunity Zone 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:												
CELLULAR PHONE	06/16/06	100.00	260.	260.	7.00	200DB/MQ	61.					
TELEPHONE SYSTEM	11/30/07	100.00	439.	439.	7.00	200DB/MQ	16.					
See Additional Listed Property Statement							51.					
27 Property used 50% or less in a qualified business use.												
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28	128.			
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.

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

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

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

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2007 tax year (see instructions)					
43 Amortization of costs that began before your 2007 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Name as Shown on Return
STATE POLICY NETWORK

Employer Identification No
57-0952531

Compensation

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
TRACIE SHARP	<input type="checkbox"/>	130,000.	89,150.	32,100.	8,750.
CARL O. HELSTROM, III	<input type="checkbox"/>	0.			
GISELE HUFF, PHD	<input type="checkbox"/>	0.			
BARBARA WELLS KENNEY	<input type="checkbox"/>	0.			
See Compensation	<input type="checkbox"/>				
Total Compensation Received		130,000.	89,150.	32,100.	8,750.

Contributions to Employee Benefit Plans & Deferred Compensation Plans

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
TRACIE SHARP	<input type="checkbox"/>	0.	0.	0.	0.
CARL O. HELSTROM, III	<input type="checkbox"/>	0.			
GISELE HUFF, PHD	<input type="checkbox"/>	0.			
BARBARA WELLS KENNEY	<input type="checkbox"/>	0.			
See Employee Benefit Plans & Deferred Compensation Plans	<input type="checkbox"/>				
Total Contributions to Employee Benefit Plans & Deferred Compensation Plans		0.	0.	0.	0.

Expense Account and Other Allowances

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
TRACIE SHARP	<input type="checkbox"/>	0.			
CARL O. HELSTROM, III	<input type="checkbox"/>	0.			
GISELE HUFF, PHD	<input type="checkbox"/>	0.			
BARBARA WELLS KENNEY	<input type="checkbox"/>	0.			
See Expense Account and Other Allowances	<input type="checkbox"/>				
Total Expense Account and Other Allowances		0.			
Total to Part II, Line 25a		130,000.	89,150.	32,100.	8,750.

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Other expenses not covered above (itemize):				
INTERNS	49,360.	49,360.	0.	0.
LICENSES/PERMITS	3,163.	0.	20.	3,143.
MISCELLANEOUS	2,072.	81.	1,991.	0.
PROFESSIONAL FEES	244,243.	216,477.	19,587.	8,179.
PROJECT EXPENSE	133,724.	131,224.	2,500.	0.
CONTRIBUTIONS & GRANTS	70,451.	0.	70,451.	0.
Total	503,013.	397,142.	94,549.	11,322.

Form 990, Page 5, Part V-A

List of Officers, Directors, Trustees, & Key Employees 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
Business <input type="checkbox"/> Person <input type="checkbox"/> ADAM MEYERSON 1150 17TH STREET WASHINGTON DC 20036	DIRECTOR 0.00	0.	0.	0.
Business <input type="checkbox"/> Person <input type="checkbox"/> STANFORD SWIM 584 SOUTH STATE STREET OREM UT 84058	DIRECTOR 0.00	0.	0.	0.
Business <input type="checkbox"/> Person <input type="checkbox"/> THOMAS WILLCOX 210 TRAILS END GREENVILLE SC 29607	DIRECTOR 0.00	0.	0.	0.
Business <input type="checkbox"/> Person <input type="checkbox"/> THEODORE D. ABRAM 2636 BIEHN ST KLAMATH FALLS OR 97601	DIRECTOR 0.00	0.	0.	0.
Business <input type="checkbox"/> Person <input type="checkbox"/> WHITNEY L. BALL 111 NORTH HENRY STREET ALEXANDRIA VA 22314	DIRECTOR 0.00	0.	0.	0.

Form 4562, line 26

Additional Listed Property Statement

(a) Type of property	(b) Date placed in service	(c) Business/ investmnt use %	(d) Cost or other basis	(e) Basis for deprecia- tion	(f) Re- covery period	(g) Method/ Con- vention	(h) Deprecia- tion deduction	(i) Elected section 179 cost
2 BLACKBERRIES	12/30/07	100.00	630.	630.	7.00	200DB/MQ	23.	
CELL PHONE	08/06/05	100.00	591.	591.	7.00	200DB/HY	28.	

Form 4562, line 26

Continued

Additional Listed Property Statement

(a) Type of property	(b) Date placed in service	(c) Business/ investmnt use %	(d) Cost or other basis	(e) Basis for depreca- tion	(f) Re- covery period	(g) Method/ Con- vention	(h) Deprecia- tion deduction	(i) Elected section 179 cost
							51.	

Form 990, Page 1, Part I, Line 20

Other Changes in Net Assets or Fund Balances

Description	Amount
UNREALIZED GAIN ON INVESTMENTS	465.
Total	465.

Form 990, Part II, Line 22b

Other Grants and Allocations Approved and Paid

Purpose of Payment

Class of Activity	Donee's Name and Address	Donee's Relationship	Amount Given
GRANT/SCHOLARSHIPS	Business <input type="checkbox"/> Person <input type="checkbox"/>		Cash Pmt? <input checked="" type="checkbox"/>
	DETAILS ATTACHED TO RETURN		884,142.

If property other than cash was given, the following additional information needs to be provided.

Description of Property: _____

Date of Gift: _____

Book Value	How Book Value Determined
FMV	How FMV Determined

Form 990, Part II Line 25a

Compensation

Compensation

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
BRIDGETT G. WAGNER	<input type="checkbox"/>	0.			
ADAM MEYERSON	<input type="checkbox"/>	0.			
STANFORD SWIM	<input type="checkbox"/>	0.			
THOMAS WILLCOX	<input type="checkbox"/>	0.			
THEODORE D. ABRAM	<input type="checkbox"/>	0.			
WHITNEY L. BALL	<input type="checkbox"/>	0.			

Form 990, Part II, Line 25a

Continued

Compensation

Compensation					
Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Total		<u>0.</u>			

Form 990, Part II, Line 25a

Employee Benefit Plans & Deferred Compensation Plans**Contributions to Employee Benefit Plans & Deferred Compensation Plans**

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
BRIDGETT G. WAGNER	<input type="checkbox"/>	0.			
ADAM MEYERSON	<input type="checkbox"/>	0.			
STANFORD SWIM	<input type="checkbox"/>	0.			
THOMAS WILLCOX	<input type="checkbox"/>	0.			
THEODORE D. ABRAM	<input type="checkbox"/>	0.			
WHITNEY L. BALL	<input type="checkbox"/>	0.			
Total		<u>0.</u>			

Form 990, Part II, Line 25a

Expense Account and Other Allowances**Expense Account and Other Allowances**

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
BRIDGETT G. WAGNER	<input type="checkbox"/>	0.			
ADAM MEYERSON	<input type="checkbox"/>	0.			
STANFORD SWIM	<input type="checkbox"/>	0.			
THOMAS WILLCOX	<input type="checkbox"/>	0.			
THEODORE D. ABRAM	<input type="checkbox"/>	0.			
WHITNEY L. BALL	<input type="checkbox"/>	0.			
Total		<u>0.</u>			

Form 990, Page 4, Part IV, Line 54b

Investments - Other Securities Statement

Description	Cost or FMV	Beginning of Year	End of Year
Investments - cash equivalents	Cost	2,082.	0.

Form 990, Page 4, Part IV, Line 54b

Continued

Investments - Other Securities Statement

Description	Cost or FMV	Beginning of Year	End of Year
Total		<u>2,082.</u>	<u>0.</u>

Schedule A, Part IV-A, Line 22

Other Income

Description	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
REIMBURSED EXPENSE		6,141.			6,141.
LOSS ON SALE OF ASSET	-287.				-287.
Total	<u>-287.</u>	<u>6,141.</u>			<u>5,854.</u>

Explanation Statement

Form/Line. Schedule A, Page 2, Part III Line 2Explanation of Directly or Indirectly Engage in Certain Activities

DURING 2007 BOARD MEMBER LAWRENCE W. REED WAS PAID \$4,500 BY SPN
AS AN INDEPENDENT CONTRACTOR TO VISIT VARIOUS STATE THINK TANKS
TO CONDUCT SITE VISITS, MEET WITH STAFF, DISCUSS THEIR CHALLENGES
AND PROVIDE ASSISTANCE WITH THEIR BOARD OF DIRECTORS.

**State Policy Network
IRS Form 990, Page 2, Line 22b Detail
For Year 2007**

Name	Amount
1816 Institute Total	5,846.18
A.C. Fitzgerald & Associates, LLC Total	337.10
Ann McElhinney Total	1,676.32
Atlas Economic Research Fdn. Total	17,893.51
Beacon Hill Institute Total	29,750.00
Cascade Policy Institute Total	42,321.65
Chris Derry Total	1,024.16
Commonwealth Foundation Total	40,000.00
Corey Miltimore Total	1,385.04
Deborah D. Thornton Total	1,354.20
Dwight Tostenson Total	1,000.33
Evergreen Freedom Foundation Total	15,664.08
Freedom Foundation of Minnesota Total	40,000.00
Georgia Family Council Total	1,182.42
Georgia Public Policy Foundation Total	35,975.00
Goldwater Institute Total	1,548.91
Independence Institute Total	7,113.18
Jack McHugh Total	714.22
James Madison Institute Total	40,000.00
James Shaffer Total	485.00
Janine Warner Total	2,037.26
John Locke Foundation Total	5,714.48
Kurt Weber Total	456.70
Louisiana Family Forum Total	411.60
Maine Heritage Policy Center Total	5,000.00
Mary Crean Total	1,035.45
Mississippi Center for Public Policy Total	6,044.51
North Dakota Policy Council Total	76,196.89
Ocean State Policy Research Institute Total	50,916.46
OCPA Total	971.02
Oklahoma Council of Public Affairs Total	40,000.00
Pelican Institute Total	5,000.00
Pioneer Institute Total	718.40
Public Interest Institute Total	15,000.00
Public Policy Foundation of West Virginia Total	35,000.00
Richard Lorenc, the Sam Adams Alliance Total	162.71
Richard O. Rowland Total	1,783.73
Ron Williamson Total	774.22
Sam Adams Total	1,386.20
SC Policy Council Total	1,138.72
Show Me Institute Total	87,951.49
South Carolina Policy Council Total	40,000.00
Stephen Clouse & Associates Total	667.04
Sutherland Institute Total	1,324.32
Tennessee Center for Policy Research Total	52,588.64
Texas Public Policy Foundation Total	80,000.00
The James Madison Institute Total	621.65
The Josiah Bartlett Center for Public Pol Total	819.22
Thomas Jefferson Institute Total	15,000.00
Tom Prichard Total	981.59
Washington Policy Center Total	7,029.48
William Felkner/Ocean State Policy Total	385.02
William Wnekowicz Total	698.78
Wisconsin Policy Research Institute Total	61,055.22
Grand Total	884,142.10