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**Return of Organization Exempt From Income Tax**

**2001**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

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

**A** For the **2001** calendar year, or tax year period beginning and ending

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>TEXAS PUBLIC POLICY FOUNDATION</b> Number and street (or P O box if mail is not delivered to street address) Room/suite <b>8122 DATAPOINT DRIVE</b> City or town state or country and ZIP + 4 <b>SAN ANTONIO, TX 78229</b>	<b>D</b> Employer identification number <b>74-2524057</b>
	<b>E</b> Telephone number 	<b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)
	Please use IRS label or pin# or type See Specific Instructions	

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

H and I are not applicable to section 527 organizations  
H(a) Is this a group return for affiliates?  Yes  No

H(b) If "Yes" enter number of affiliates

H(c) Are all affiliates included?  Yes  No (If "No," attach a list)

H(d) Is this a separate return filed by an organization covered by a group ruling?  Yes  No

I Enter 4-digit GEN

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

G Web site

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

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **1,018,628.**

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

1	Contributions, gifts, grants and similar amounts received				
a	Direct public support	1a	613,896.		
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ <u>613,896.</u> noncash \$ _____)	1d	613,896.		
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	395,977.		
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4	8,755.		
5	Dividends and interest from securities	5			
6a	Gross rents	6a			
b	Rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe _____)	7			
8a	Gross amount from sale of assets other than inventory	(A) Securities		(B) Other	
b	Less cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss) (combine line 8c columns (A) and (B))	8c			
8d		8d			
9	Special events and activities (attach schedule)				
a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a	Gross sales of inventory less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	1,018,628.		
13	Program services (from line 44, column (B))	13	653,388.		
14	Management and general (from line 44 column (C))	14	107,804.		
15	Fundraising (from line 44, column (D))	15	387,568.		
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44 column (A))	17	1,148,760.		
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	<130,132.>		
19	Net assets or fund balances at beginning of year (from line 73 column (A))	19	331,765.		
20	Other changes in net assets or fund balances (attach explanation)	20	0.		
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	201,633.		

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<b>Part II Statement of Functional Expenses</b>		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 (attach schedule)				
	cash \$ _____ noncash \$ _____	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25	120,761.	48,305.	24,152.
26	Other salaries and wages	26	298,900.	188,090.	44,421.
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29	66,073.	36,993.	10,452.
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33			
34	Telephone	34	14,247.	8,669.	2,087.
35	Postage and shipping	35			
36	Occupancy	36	37,784.	21,284.	6,174.
37	Equipment rental and maintenance	37	10,890.	6,135.	1,779.
38	Printing and publications	38			
39	Travel	39	31,342.	18,623.	1,067.
40	Conferences, conventions, and meetings	40	122,835.	4,126.	868.
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses not covered above (itemize)				
a	_____	43a			
b	_____	43b			
c	_____	43c			
d	_____	43d			
e	See Statement 1	43e	445,928.	321,163.	16,804.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B) (D) carry these totals to lines 13-15	44	1,148,760.	653,388.	107,804.

**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 \$ \_\_\_\_\_

<b>Part III Statement of Program Service Accomplishments</b>		Program Service Expenses
What is the organization's primary exempt purpose? <b>PUBLIC POLICY RESEARCH</b>		(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts but optional for others)
a	EXPENSES INCURRED TO SUPPORT RESEARCH TO FORMULATE SPECIFIC POSITIONS ON VARIOUS ISSUES OF PUBLIC POLICY AND TO SPONSOR VARIOUS PUBLIC POLICY EVENTS (Grants and allocations \$ _____)	653,388.
b	_____ (Grants and allocations \$ _____)	
c	_____ (Grants and allocations \$ _____)	
d	_____ (Grants and allocations \$ _____)	
e	Other program services (attach schedule) (Grants and allocations \$ _____)	
f	Total of Program Service Expenses (should equal line 44 column (B) Program services)	653,388.

**Part IV Balance Sheets**

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

		(A) Beginning of year		(B) End of year	
<b>Assets</b>	45 Cash - non-interest-bearing	340,002.	45	204,713.	
	46 Savings and temporary cash investments		46		
	47 a Accounts receivable				
	b Less allowance for doubtful accounts	411.	47c		
	48 a Pledges receivable				
	b Less allowance for doubtful accounts		48c		
	49 Grants receivable		49		
	50 Receivables from officers, directors, trustees, and key employees		50		
	51 a Other notes and loans receivable				
	b Less allowance for doubtful accounts		51c		
	52 Inventories for sale or use		52		
	53 Prepaid expenses and deferred charges		53		
	54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54		
	55 a Investments - land buildings and equipment basis				
b Less accumulated depreciation		55c			
56 Investments - other		56			
57 a Land buildings, and equipment basis	87,775.				
b Less accumulated depreciation	72,539.	28,000.	57c	15,236.	
58 Other assets (describe <b>CONTRIBUTION RECEIVABLE</b> )		12,668.	58	9,556.	
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74)		381,081.	59	229,505.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	49,316.	60	27,872.	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees and key employees		63		
	64 a Tax-exempt bond liabilities		64a		
	b Mortgages and other notes payable		64b		
	65 Other liabilities (describe )		65		
66 <b>Total liabilities</b> (add lines 60 through 65)		49,316.	66	27,872.	
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67 Unrestricted	251,206.	67	201,633.	
	68 Temporarily restricted	80,559.	68	0.	
	69 Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70 Capital stock, trust principal or current funds		70		
	71 Paid-in or capital surplus or land building and equipment fund		71		
	72 Retained earnings, endowment accumulated income or other funds		72		
	73 <b>Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72 column (A) must equal line 19 column (B) must equal line 21)		331,765.	73	201,633.
	74 <b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)		381,081.	74	229,505.

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

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

Table with 5 rows (a-e) and 2 columns. Row a: Total revenue, gains and other support per audited financial statements 1,018,628. Row b: Amounts included on line a but not on line 12 Form 990. Row c: Line a minus line b 1,018,628. Row d: Amounts included on line 12, Form 990 but not on line a. Row e: Total revenue per line 12 Form 990 (line c plus line d) 1,018,628.

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

Table with 5 rows (a-e) and 2 columns. Row a: Total expenses and losses per audited financial statements 1,148,760. Row b: Amounts included on line a but not on line 17 Form 990. Row c: Line a minus line b 1,148,760. Row d: Amounts included on line 17, Form 990 but not on line a. Row e: Total expenses per line 17 Form 990 (line c plus line d) 1,148,760.

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

Table with 5 columns: (A) Name and address, (B) Title and average hours per week devoted to position, (C) Compensation (If not paid, enter -0-), (D) Contributions to employee benefit plans & deferred compensation, (E) Expense account and other allowances. Row 1: JEFF JUDSON, 205 E WILDWOOD, PRESIDENT, 40, 120,761, 0, 0.

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

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Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes" attach a detailed description of each activity	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
78 a	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? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?	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		
81 a	Enter direct or indirect political expenditures. See line 81 instructions. 81a 0.		
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? N/A	83b	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? N/A	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	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 N/A		
d	Section 162(e) lobbying and political expenditures 85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f? N/A	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h	
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12 86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87	501(c)(12) organizations Enter a Gross income from members or shareholders 87a N/A		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 87b N/A		
88	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
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 0., section 4912 0., section 4955 0.		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	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.		
90 a	List the states with which a copy of this return is filed TEXAS		
b	Number of employees employed in the pay period that includes March 12, 2001 90b 11		

91 The books are in care of TEXAS PUBLIC POLICY FOUNDATION Telephone no \_\_\_\_\_  
 Located at 8122 DATAPOINT DRIVE, SA, TX ZIP + 4 78229

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

**Part VII Analysis of Income-Producing Activities** (See Specific Instructions on page 32)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
<b>Note</b> Enter gross amounts unless otherwise indicated					
93 Program service revenue					
a PUB, SUB & EVENT					395,977.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	8,755.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		8,755.	395,977.
105 Total (add line 104, columns (B), (D), and (E))					404,732.

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See Specific Instructions on page 32)

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	THE SALES OF PUBLICATIONS AND SUBSCRIPTIONS AND THE SPONSORSHIP OF EVENTS IS THE MEANS THE FOUNDATION USES TO DESEMINATE INFORMATION ON SPECIFIC POSITIONS OF INTEREST ON PUBLIC POLICY MATTERS.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See Specific Instructions on page 33)

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

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See Specific Instructions on page 33)

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

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

Please Sign Here

Under penalty of perjury I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature: *Jeff Judson* Date: 8/5/02 Type or print name and title: Jeff Judson, Pres. & CEO

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: 8/2/02 Check if self-employed:  Preparer's SSN or PTIN: [ ]

Firm's name (or yours if self-employed) address and ZIP + 4: Rinaldo J. Gonzalez, CPA, P.C. 7800 IH-10 West, Suite 505 San Antonio, Texas 78230

EIN: 74-2433094 Phone no: 2103669430

**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

**2001**

Name of the organization

TEXAS PUBLIC POLICY FOUNDATION

Employer identification number

74 2524057

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 1 of the instructions List each one If there are none enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				

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

0

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

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services ▶

0



<b>Part III Statements About Activities</b> (See page 2 of the instructions )		Yes	No
1	During the year, has the organization attempted to influence national state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities <b>\$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B )</b> Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	X	
2	During the year has the organization either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions )		
a	Sale, exchange or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1 000)?	X	
e	Transfer of any part of its income or assets?		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc ? (See Note below )		X
4	Do you have a section 403(b) annuity plan for your employees?		X
<b>Note:</b> Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments			

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

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

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

14	<input type="checkbox"/> An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions )
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**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) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	830,858.	724,711.	650,438.	789,729.	2,995,736.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold, or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc. purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	5,878.	530.	1,668.	319.	8,395.
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	836,736.	725,241.	652,106.	790,048.	3,004,131.
24 Line 23 minus line 17	836,736.	725,241.	652,106.	790,048.	3,004,131.
25 Enter 1% of line 23	8,367.	7,252.	6,521.	7,900.	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a 60,083.
	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 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.				26b 1,337,024.
	c Total support for section 509(a)(1) test. Enter line 24, column (e).				26c 3,004,131.
	d Add Amounts from column (e) for lines 18 8,395. 22	19 1,337,024. 26b		26d 1,345,419.	
	e Public support (line 26c minus line 26d total)				26e 1,658,712.
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				26f 55.2144%
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: (2000) N/A (1999) (1998) (1997)				
	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: (2000) (1999) (1998) (1997) N/A				
	c Add Amounts from column (e) for lines 15 16 17 20 21				27c N/A
	d Add Line 27a total and line 27b total				27d N/A
	e Public support (line 27c total minus line 27d total)				27e N/A
	f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)				27f N/A
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g N/A %
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h N/A %
28 Unusual Grants	For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show for each year the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.				None

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

N/A

**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students or during the registration period if it has no solicitation program in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space attach a separate statement )		
	_____		
	_____		
	_____		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements and other written communications to the public dealing with student admissions programs and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )		
	_____		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? if you answered "Yes" to any of the above please explain (If you need more space attach a separate statement )		
	_____		
	_____		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50 1975-2 C B 587 covering racial nondiscrimination? If "No," attach an explanation		

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

(To be completed ONLY by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred )		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
		N/A													
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36													
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37													
38	Total lobbying expenditures (add lines 36 and 37)	38													
39	Other exempt purpose expenditures	39	1,133,822.												
40	Total exempt purpose expenditures (add lines 38 and 39)	40	1,133,822.												
41	Lobbying nontaxable amount Enter the amount from the following table -														
	<table border="0"> <tr> <td><b>If the amount on line 40 is -</b></td> <td><b>The lobbying nontaxable amount is -</b></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>	<b>If the amount on line 40 is -</b>	<b>The lobbying nontaxable amount is -</b>	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		
<b>If the amount on line 40 is -</b>	<b>The lobbying nontaxable amount is -</b>														
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	188,382.												
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	47,096.												
<b>Caution</b> If there is an amount on either line 43 or line 44, you must file Form 4720															

**4-Year Averaging Period Under Section 501(h)**

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

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45	188,382.	144,454.	95,612.		428,448.
46					642,672.
47		90,979.	4,669.		95,648.
48	47,096.	36,114.	23,903.		107,113.
49					160,670.
50					0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the 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	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h )		X	
c Media advertisements		X	
d Mailings to members legislators or the public		X	
e Publications or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators their staffs government officials or a legislative body		X	
h Rallies demonstrations seminars, conventions speeches lectures or any other means		X	
i Total lobbying expenditures (Add lines c through h )			0.
If "Yes" to any of the above also attach a statement giving a detailed description of the lobbying activities			

**Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 12 of the instructions)

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

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

(i) Cash

(ii) Other assets

**b** Other transactions

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

**c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees

**d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

N/A

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

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

**52 a** Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?  Yes  No

**b** If "Yes," complete the following schedule N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

TEXAS PUBLIC POLICY FOUNDATION

FORM 990, PART 1 - LIST OF CONTRIBUTORS

74-2524057

Name	Direct Public Support
	5,000
	8,000
	50,000
	25,000
	15,000
	5,000
	100,000
	10,000
	10,000
	20,000
	7,000
	5,000
	25,000
	10,000
	20,000
	10,000
	10,000
	10,000
	25,000
	10,000
	10,000
	20,000
	10,000
	10,000
	10,000
	10,000
	10,000
	10,000
	15,000
	50,000
	<b><u>525,000</u></b>
\$5,000 and over	525,000
Under \$5,000	88,896
	<b><u>613,896</u></b>

Form 990	Other Expenses			Statement 1
Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising
ADMINISTRATIVE & OFFICE EXPENSE	32,752.	17,989.	3,231.	11,532.
AUSTIN BRANCH COST CENTER	17,090.	17,090.		
CAPITAL EXPENSES	22,611.	12,736.	3,695.	6,180.
COMPUTER EXPENSES	10,000.	5,633.	1,634.	2,733.
INSURANCE	5,339.	3,044.	859.	1,436.
PROFESSIONAL SERVICES	167,320.	73,855.	7,385.	86,080.
RESEARCH PROJECTS	190,816.	190,816.		
Total to Fm 990, ln 43	<u>445,928.</u>	<u>321,163.</u>	<u>16,804.</u>	<u>107,961.</u>

TEXAS PUBLIC POLICY FOUNDATION

74-2524057

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

<u>NAME AND ADDRESS</u>	<u>TITLE AND TIME DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEES BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
TIM LYLES 8122 DATAPOINT DR , SUITE 900 SAN ANTONIO, TEXAS 78229	BOARD SECRETARY	NONE	NONE	NONE
PHIL D ADAMS 3000 BRIARCREST DR , STE 508 BRYAN, TEXAS 77802	BOARD	NONE	NONE	NONE
TIM DUNN P O BOX 11150 MIDLAND TEXAS 79702	BOARD TREASURER	NONE	NONE	NONE
WENDY LEE GRAMM, PH D P O BOX 39134 4201 YUMA, NW WASHINGTON DC 20016	BOARD	NONE	NONE	NONE
JEFF JUDSON P O BOX 40519 SAN ANTONIO, TEXAS 78229	PRESIDENT 40	\$120,761	NONE	NONE
JAMES R LEININGER, M D 8122 DATAPOINT DR , STE 900 SAN ANTONIO, TEXAS 78229	BOARD	NONE	NONE	NONE



RAMIRO GALINDO  
1900 W VILLA MARIA ROAD  
BRYAN, TEXAS 77801

BOARD

NONE

NONE

NONE

VANCE C MILLER  
5001 SPRING VALLEY RD , STE 1100 W  
DALLAS, TEXAS 75244

BOARD

NONE

NONE

NONE

FRITZ STEIGER  
901 MCCLAIN RD , STE 802  
BENTONVILLE, AR 72712

BOARD

NONE

NONE

NONE

KENT SULLIVAN  
1111 BAGBY, STE 4800  
HOUSTON, TEXAS 77002

BOARD

NONE

NONE

NONE

MICHAEL S STEVENS  
1160 DIARY ASHFORD, STE 601  
HOUSTON, TEXAS 77079

BOARD

NONE

NONE

NONE

TIMOTHY DEAN WORD JR  
P O BOX 310330  
NEW BRAUNFELS, TEXAS 78131

BOARD

NONE

NONE

NONE

GRAND TOTALS

\$120,761

NONE

NONE

# Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ▶

• If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

**Note** Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

## Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

**Note** Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only ▶

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization	Employer identification number
	TEXAS PUBLIC POLICY FOUNDATION	74-2524057
	Number, street, and room or suite no. If a P O box, see instructions	
File by the due date for filing your return. See instructions	8122 DATAPOINT DRIVE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	SAN ANTONIO, TX 78229	

**Check type of return to be filed** (file a separate application for each return)

- |  |  |                                    |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990 T (corporation)                | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990 BL         | <input type="checkbox"/> Form 990 T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990 EZ         | <input type="checkbox"/> Form 990 T (trust other than above)     | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990 PF         | <input type="checkbox"/> Form 1041 A                             | <input type="checkbox"/> Form 8870 |

• If the organization does **not** have an office or place of business in the United States, check this box ▶

• If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the **whole** group, check this box ▶  If it is for part of the group, check this box ▶  and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3 month (6 month, for 990-T corporation) extension of time until August 15, 2002 to file the exempt organization return for the organization named above. The extension is for the organization's return for ▶  calendar year 2001 or ▶  tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

2 If this tax year is for less than 12 months, check reason  Initial return  Final return  Change in accounting period

3a If this application is for Form 990 BL, 990-PF, 990 T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ \_\_\_\_\_

b If this application is for Form 990 PF or 990 T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ \_\_\_\_\_

c **Balance Due** Subtract line 3b from line 3a. Include your payment with this form or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ \_\_\_\_\_ N/A

### Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶  Title ▶  Date ▶ MAY 15 2002

LHA For Paperwork Reduction Act Notice, see instruction