



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



**Return of Organization Exempt From Income Tax**

**2004**

Department of the Treasury  
Internal Revenue Service

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

Open to Public Inspection

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

**A For the 2004 calendar year, or tax year beginning and ending**

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

**C Name of organization**  
 TEXAS PUBLIC POLICY FOUNDATION  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
 900 CONGRESS AVE. 400  
 City or town, state or country, and ZIP + 4  
 AUSTIN, TX 78701

**D Employer identification number**  
 74-2524057

**E Telephone number**  
 472-2700

**F Accounting method**  Cash  Accrual  
 Other (specify) \_\_\_\_\_

**G Website:** WWW.PUBLICPOLICY.COM

**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 **1,268,923.**

**H and I are not applicable to section 527 organizations.**  
 H(a) Is this a group return for affiliates?  Yes  No  
 H(b) If "Yes," enter number of affiliates \_\_\_\_\_  
 H(c) Are all affiliates included? N/A  Yes  No (If "No," attach a list.)  
 H(d) Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
 I Group Exemption Number \_\_\_\_\_

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

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

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support	1a	602,463.	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ 602,463. noncash \$ _____)	1d	602,463.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	664,941.	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	870.	
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
	b	Less: 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 sales of assets other than inventory	(A) Securities	8a		
		(B) Other	8b		
			8c		
			8d		
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ _____ of contributions)	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			
		10b			
b	Less: cost of goods sold				
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	649.		
12	<b>Total revenue</b> (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	1,268,923.		
Expenses	13	Program services (from line 44, column (B))	13	531,663.	
	14	Management and general (from line 44, column (C))	14	283,043.	
	15	Fundraising (from line 44, column (D))	15	277,505.	
	16	Payments to affiliates (attach schedule)	16		
	17	<b>Total expenses</b> (add lines 16 and 44, column (A))	17	1,092,211.	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	176,712.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	141,665.	
	20	Other changes in net assets or fund balances (attach explanation) <b>SEE STATEMENT 1</b>	20	-78,978.	
	21	<b>Net assets or fund balances at end of year</b> (combine lines 18, 19, and 20)	21	239,399.	

RECEIVED  
 DEC 27 2005  
 OGDEN UT

**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.

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.	25 422,379.	253,427.	88,700.	80,252.
26 Other salaries and wages	26 55,203.	367.	41,972.	12,864.
27 Pension plan contributions	27			
28 Other employee benefits	28 11,148.	5,929.	3,044.	2,175.
29 Payroll taxes	29 35,488.	18,873.	9,690.	6,925.
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33			
34 Telephone	34 14,230.	2,929.	11,301.	
35 Postage and shipping	35			
36 Occupancy	36 35,615.	7,401.	28,214.	
37 Equipment rental and maintenance	37 10,120.		10,120.	
38 Printing and publications	38			
39 Travel	39 19,650.	9,282.	6,063.	4,305.
40 Conferences, conventions, and meetings	40 68,088.	58,421.		9,667.
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42 977.		977.	
43 Other expenses not covered above (itemize):				
a _____	43a			
b _____	43b			
c _____	43c			
d _____	43d			
e <b>SEE STATEMENT 2</b>	43e 419,313.	175,034.	82,962.	161,317.
44 <b>Total functional expenses</b> (add lines 22 through 43) <small>Organizations completing columns (B)-(D), carry these totals to lines 13-15</small>	44 1,092,211.	531,663.	283,043.	277,505.

Joint Costs. Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_;  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose? **PUBLIC POLICY RESEARCH**

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) orgs., and 4947(a)(1) trusts, but optional for others.)

a <b>EXPENSES INCURRED TO SUPPORT RESEARCH TO FORMULATE SPECIFIC POSITIONS ON VARIOUS ISSUES OF PUBLIC POLICY.</b>	(Grants and allocations \$ _____)	303,350.
b <b>EXPENSES INCURRED TO SPONSOR VARIOUS PUBLIC POLICY EVENTS.</b>	(Grants and allocations \$ _____)	228,313.
c _____	(Grants and allocations \$ _____)	
d _____	(Grants and allocations \$ _____)	
e Other program services (attach schedule)	(Grants and allocations \$ _____)	
f <b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)		531,663.

**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
Assets	45 Cash - non-interest-bearing	157,742.	45	314,421.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	47a 1,233.		
	b Less: allowance for doubtful accounts	47b	47c	1,233.
	48 a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	6,680.
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments - land, buildings, and equipment: basis	55a 25,012.		
	b Less: accumulated depreciation	55b 13,765.	4,048.	55c 11,247.
56 Investments - other		56		
57 a Land, buildings, and equipment: basis	57a			
b Less: accumulated depreciation	57b	57c		
58 Other assets (describe )		58		
59 Total assets (add lines 45 through 58) (must equal line 74)	161,790.	59	333,581.	
Liabilities	60 Accounts payable and accrued expenses	20,125.	60	29,607.
	61 Grants payable		61	
	62 Deferred revenue		62	64,575.
	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 Total liabilities (add lines 60 through 65)	20,125.	66	94,182.	
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	141,665.	67	239,399.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	141,665.	73	239,399.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	161,790.	74	333,581.	

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 VI Other Information

Table with columns for question number, question text, and Yes/No columns. Rows include questions 76 through 92 regarding organizational activities, financials, and reporting.

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a <b>EVENT INCOME</b>					475,661.
b <b>RESEARCH INCOME</b>					189,280.
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	870.	
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>OTHER INCOME</b>					649.
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		870.	665,590.
105 Total (add line 104, columns (B), (D), and (E))					666,460.

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	THE SALES OF PUBLICATIONS AND SUBSCRIPTIONS AND THE SPONSORSHIP OF EVENTS ARE THE MEANS THE FOUNDATION USES TO DESEMINATE INFORMATION ON SPECIFIC POSITIONS ON INTEREST ON PUBLIC POLICY MATTERS.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of the instructions.)

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

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 34 of the instructions.)

- (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).

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: *Keith Star* Signature of officer, Date: 11/19/05, Director of Operations Type or print name and title.

Paid Preparer's Use Only: Preparer's signature: *Don Shon*, Date: 12-19-05, Check if self-employed: , Preparer's SSN or PTIN: \_\_\_\_\_, Firm's name (or yours if self-employed), address, and ZIP + 4: LOCKART, ATCHLEY & ASSOCIATES, L.L.P., 6850 AUSTIN CENTER BLVD, STE 180, AUSTIN, TX 78731-3129, EIN: \_\_\_\_\_, Phone no.: (512) 346-2086.

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

Department of the Treasury  
Internal Revenue Service

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

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

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

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

OMB No 1545-0047

**2004**

Name of the organization

**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
<b>NONE</b>				
<u>MICHAEL SULLIVAN</u> 900 CONGRESS AVE. SUITE 400, AUSTIN, TX 78701	VICE-PRES. 40+	71,470.		
<u>BYRON SCHLOMACH</u> 900 CONGRESS AVE. SUITE 400, AUSTIN, TX 78701	CHIEF ECONOMI 40+	70,833.		
<u>CHRIS PATTERSON</u> 900 CONGRESS AVE. SUITE 400, AUSTIN, TX 78701	DIR./RESEARCH 40+	61,208.		
<u>SHARI HANRAHAN</u> 900 CONGRESS AVE. SUITE 400, AUSTIN, TX 78701	DIR./DEVELOP. 40+	57,435.		
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
<b>NONE</b>		
-----		
-----		
-----		
-----		
-----		
-----		
-----		
-----		
Total number of others receiving over \$50,000 for professional services	▶ 0	



**Part III** Statements About Activities (See page 2 of the instructions.)

	Yes	No
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>▶</b> \$ _____ \$ <b>103.</b> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) <b>VI-A, LINE 38B</b>	<b>X</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.		
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?		<b>X</b>
b Lending of money or other extension of credit?		<b>X</b>
c Furnishing of goods, services, or facilities?		<b>X</b>
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	<b>X</b>	
e Transfer of any part of its income or assets?		<b>X</b>
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		<b>X</b>
b Do you have a section 403(b) annuity plan for your employees?		<b>X</b>
4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		<b>X</b>
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		<b>X</b>

**Part IV** Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 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.)
- 11a  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.)
- 11b  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 supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

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

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

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.  
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	649,597.	690,291.	613,896.	830,858.	2,784,642.
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	363,777.				363,777.
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	1.	522.	8,755.	5,878.	15,156.
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	1,013,375.	690,813.	622,651.	836,736.	3,163,575.
24 Line 23 minus line 17	649,598.	690,813.	622,651.	836,736.	2,799,798.
25 Enter 1% of line 23	10,134.	6,908.	6,227.	8,367.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 55,996.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 1,363,032.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 2,799,798.
d Add: Amounts from column (e) for lines: 18 15,156. 19 22 1,363,032.					26d 1,378,188.
e Public support (line 26c minus line 26d total)					26e 1,421,610.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 50.7754%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
c Add: Amounts from column (e) for lines: 15 16 17 20 21					27c N/A
d Add: Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**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.

<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
		<b>N/A</b>	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	103.
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	103.
39	Other exempt purpose expenditures	39	1,092,108.
40	Total exempt purpose expenditures (add lines 38 and 39)	40	1,092,211.
41	Lobbying nontaxable amount. Enter the amount from the following table -		
	<b>If the amount on line 40 is -</b>		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	<b>The lobbying nontaxable amount is -</b>		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
41			184,221.
42	Grassroots nontaxable amount (enter 25% of line 41)	42	46,055.
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 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45	184,221.	147,168.	186,097.	188,382.	705,868.
46					1,058,802.
47	103.				103.
48	46,055.				46,055.
49					69,083.
50	103.				103.

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

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

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 checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
		0.

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



FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	1
DESCRIPTION		AMOUNT	
CHANGE IN PRIOR YEARS ACCOUNTS PAYABLE AND ACCRUED EXPENSE			-36,478.
CHANGE IN PRIOR YEARS DEFERRED INCOME			-42,500.
TOTAL TO FORM 990, PART I, LINE 20			-78,978.

FORM 990	OTHER EXPENSES			STATEMENT	2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
ADMINISTRATIVE AND OFFICE EXPENSE	45,268.	598.	44,632.	38.	
DUES AND SUBSCRIPTIONS	4,088.	3,638.	388.	62.	
CAPITAL EXPENSE	910.		910.		
COMPUTER EXPENSE	4,907.	545.	3,739.	623.	
DEVELOPMENT	171,417.	10,658.	8,065.	152,694.	
INSURANCE	7,516.		7,516.		
MEDIA COMMUNICATIONS	36,069.	32,826.	693.	2,550.	
PROFESSIONAL SERVICES	1,203.	1,023.	137.	43.	
RESEARCH PROJECTS	147,832.	125,746.	16,779.	5,307.	
LOBBYING EXPENSE	103.		103.		
TOTAL TO FM 990, LN 43	419,313.	175,034.	82,962.	161,317.	

## TEXAS PUBLIC POLICY FOUNDATION

74-2524057

FORM 990

PART V - LIST OF OFFICERS, DIRECTORS,  
TRUSTEES AND KEY EMPLOYEES

STATEMENT 3

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
BROOKE ROLLINS 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	PRESIDENT 40+	161,433.	0.	0.
WILLIAM A. "BILL" MCMINN 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	CHAIRMAN 2+	0.	0.	0.
THOMAS LYLES 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	SECRETARY 2+	0.	0.	0.
WENDY LEE GRAMM, PH.D 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	CHAIRMAN EMERITUS 2+	0.	0.	0.
JAMES R. LEININGER, M.D. 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	CHAIRMAN EMERITUS 2+	0.	0.	0.
PHIL D. ADAMS 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.
ERNEST ANGELO 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.
TIM DUNN 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.
RAMIRO GALINDO 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.
BILL JONES 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.
DALE LAINE 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.

TEXAS PUBLIC POLICY FOUNDATION74-2524057

VANCE C. MILLER 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.
JOHN NAU 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.
BRENDA PEJOVICH 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.
JEFF SANDEFER 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.
FRITZ STEIGER 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.
MICHAEL S. STEVENS 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR 1+	0.	0.	0.
MICHAEL SULLIVAN 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	VICE-PRES. 40+	71,470.	0.	0.
BYRON SCHLOMACH 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	CHIEF ECONOMIST 40+	70,833.	0.	0.
CHRIS PATTERSON 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR OF RESEARCH 40+	61,208.	0.	0.
SHARI HANRAHAN 900 CONGRESS AVE, SUITE 400 AUSTIN, TX 78701	DIRECTOR OF DEVELOPMENT 40+	57,435.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V		<u>422,379.</u>	<u>0.</u>	<u>0.</u>



Texas Public Policy Foundation  
 Depreciation Expense  
 December 31, 2004

Date	Description	Cost	Method	Est Life	Beginning A/D	2004 Depreciation	Ending A/D
<b>Computer Equipment</b>							
	Misc	612.05	SL		-		-
4/20/1998	HP 6LXI Printer	395.08	SL	1	395.08		395.08
1/13/1999	HP 712C Desk Jet Printer	374.92	SL	1	374.92		374.92
10/1/1999	Backup tape Servier	928.00	SL	1	928.00		928.00
2/1/2000	17" Monitor	99.00	SL	3	99.00		99.00
		-	SL				-
11/13/2000	Dell Latitude Access	405.94	SL	3	405.94	0	405.94
3/9/2001	Dell P3 866 # 18	1,285.00	SL	3	1,213.56	71.44	1,285.00
4/25/2001	Dell P3 866 # 20	1,285.00	SL	3	1,177.87	107.13	1,285.00
5/1/2001	Office Jet Printer	599.99	SL	3	533.36	66.63	599.99
5/3/2001	Hp Printer - Austin	1,099.99	SL	3	977.80	122.19	1,099.99
10/30/2001	Maxtor 80G Storage	999.00	SL	3	721.50	277.5	999.00
12/4/2003	6 laptops	8,176.00	SL	3	-	227.11	227.11
		16,259.97			6,827.03	872.00	7,699.03
<b>Furniture and Fixtures</b>							
6/3/1990	Furniture	250.00	SL	0	250.00	0	250.00
2/7/1995	42" round table	295.00	SL	1	295.00	0	295.00
2/7/1998	walnut computer table	135.00	SL	1	135.00	0	135.00
2/7/1995	lateral file	355.56	SL	1	355.56	0	355.56
4/9/1993	filing cabinet	100.00	SL	1	100.00	0	100.00
5/5/1999	42" HON lateral file	395.00	SL	1	395.00	0	395.00
5/17/1999	36" lateral file	270.00	SL	2	243.00	27.00	270.00
6/2/1999	3 exec chairs	387.00	SL	5	245.10	32.25	277.35
10/30/2000	1 exec chair	129.00	SL	5	81.70	25.8	107.50
10/30/2000	rca tv	100.00	SL	5	63.33	20.00	83.33
		2,416.56			2,163.69	105.05	2,268.74
<b>Software</b>							
5/17/1999	campaign software	6,335.00	SL	1	6,335.00	-	6,335.00
Total		25,011.53			15,325.72	* 977.05	16,302.77
Per General Ledger		16,835.53			12,788.00	-	12,788.00
Difference		*(8,176.00)			(2,537.72)	*(977.05)	(3,514.77)

Difference in Accum. Depr per depr. schedule and general ledger appears to stem from client writing off to much accum. depr. in prior years when assets were sold or disposed. Amount immaterial to F/S - will not adjust for 2004. PFT.

At Immaterial

^ Footed

Traced to Prior Year Depreciation Schedule

## 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  **X**

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

**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)

**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.*

**Electronic Filing (e-file).** Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile).

<b>Type or print</b>	Name of Exempt Organization <b>TEXAS PUBLIC POLICY FOUNDATION</b>	Employer identification number <b>74-2524057</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>411 BRAZOS ST.,, NO. 99</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>AUSTIN, TX 78701</b>	

**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 |

The books are in the care of ▶ **TEXAS PUBLIC POLICY FOUNDATION**

Telephone No. ▶ \_\_\_\_\_ FAX No. ▶ \_\_\_\_\_

- 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-months for a **Form 990-T corporation**) extension of time until **August 15, 2005** to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶  calendar year **2004** 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**

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.