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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)

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

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

B Check if applicable: X Address change X Name change Initial return Final return Amended return Application pending
C Name of organization: ADVOCATES FOR SCHOOL CHOICE, INC.
D Employer identification number: 33-0627955
E Telephone number: 602-468-0900
F Accounting method: Cash [] Accrual [X] Other []

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.

G Website: N/A
J Organization type: [X] 501(c)(4)
K Check here [] if the organization's gross receipts are normally not more than \$25,000.
M Check [] if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 452,914.

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

Table with 21 rows and 4 columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues; 4 Interest on savings; 5 Dividends; 6 Rents; 7 Other investment income; 8 Sales of assets; 9 Special events; 10 Sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or deficit; 19 Net assets at beginning; 20 Other changes; 21 Net assets at end.

SCANNED JUL 19 2005

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. Page 2

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 \$ 313,822. noncash \$)	313,822.	313,822.	STATEMENT 1	
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	21,378.	12,109.	9,269.	0.
26	Other salaries and wages	37,255.	33,022.	4,233.	
27	Pension plan contributions				
28	Other employee benefits	7,029.	5,523.	1,506.	
29	Payroll taxes	4,225.	3,259.	966.	
30	Professional fundraising fees				
31	Accounting fees	9,687.		9,687.	
32	Legal fees	13,689.	13,689.		
33	Supplies	2,184.	1,684.	500.	
34	Telephone	2,093.	1,614.	479.	
35	Postage and shipping	2,169.	2,169.		
36	Occupancy	6,794.	5,238.	1,556.	
37	Equipment rental and maintenance	1,979.	1,526.	453.	
38	Printing and publications	2,174.	2,174.		
39	Travel	19,446.	19,446.		
40	Conferences, conventions, and meetings	491.	491.		
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	368.	284.	84.	
43	Other expenses not covered above (itemize):				
a	CONTRACTED SERVICES	52,006.	40,097.	11,909.	
b	INSURANCE	1,358.	1,047.	311.	
c	DIRECT PROGRAM EXPENSE	56,989.	56,989.		
d	RESTRUCTURING EXPENSE	1,891.		1,891.	
e	LICENSE & FEES	1,217.	1,217.		
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	558,244.	515,400.	42,844.	0.

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? IMPROVE THE QUALITY OF EDUCATION	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a MADE DIRECT GRANTS TO NONPROFIT ORGANIZATIONS WITHIN SELECT STATES THROUGHOUT THE COUNTRY AND SUPPORTED EFFORTS TO PASS LEGISLATION ENACTING NEW SCHOOL CHOICE PROGRAMS AND PROTECT AND EXPAND CURRENT PROGRAMS. (Grants and allocations \$ 313,822.)	515,400.
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)	515,400.

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	557,746.	45	368,393.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	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	4,320.	53	4,829.
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments - land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation	55b	55c	
56 Investments - other		56		
57 a Land, buildings, and equipment: basis	57a			
b Less: accumulated depreciation	57b	1,438.	57c	
58 Other assets (describe SEE STATEMENT 2)		58	5,915.	
59 Total assets (add lines 45 through 58) (must equal line 74)	563,504.	59	379,137.	
Liabilities	60 Accounts payable and accrued expenses	242.	60	1,978.
	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 CONTRIBUTIONS PAYABLE)	200,773.	65	120,000.
66 Total liabilities (add lines 60 through 65)	201,015.	66	121,978.	
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	362,489.	67	257,159.
	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)	362,489.	73	257,159.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	563,504.	74	379,137.

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

a	Total revenue, gains, and other support per audited financial statements	a	452,914.
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments		
(2)	Donated services and use of facilities		
(3)	Recoveries of prior year grants		
(4)	Other (specify):		
	Add amounts on lines (1) through (4)	b	0.
c	Line a minus line b	c	452,914.
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify):		
	Add amounts on lines (1) and (2)	d	0.
e	Total revenue per line 12, Form 990 (line c plus line d)	e	452,914.

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

a	Total expenses and losses per audited financial statements	a	558,244.
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities		
(2)	Prior year adjustments reported on line 20, Form 990		
(3)	Losses reported on line 20, Form 990		
(4)	Other (specify):		
	Add amounts on lines (1) through (4)	b	0.
c	Line a minus line b	c	558,244.
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify):		
	Add amounts on lines (1) and (2)	d	0.
e	Total expenses per line 17, Form 990 (line c plus line d)	e	558,244.

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

(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
SUSAN MITCHELL	PRESIDENT			
MILWAUKEE, WI	3	7,696.	0.	0.
CLINT BOLICK	PRESIDENT			
PHOENIX, AZ	3	5,449.	0.	0.
KATHY KRUEGER	COO & TREASURER			
PHOENIX, AZ	5	8,233.	0.	0.
SEE ATTACHMENT FOR A LIST OF BOARD OF DIRECTORS		0.	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 **STMT 3**

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 ALLIANCE FOR SCHOOL CHOICE and check whether it is <input checked="" 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?	83b	X
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?	84b	X
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 0.		
d	Section 162(e) lobbying and political expenditures 85d 0.		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e 0.		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f 0.		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? 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 N/A; section 4912 N/A; section 4955 N/A		
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 AZ, CA		
b	Number of employees employed in the pay period that includes March 12, 2004 90b 10		
91	The books are in care of CLINT BOLICK Telephone no. 602-468-0900		

Located at 5080 N 40TH ST, SUITE 375, PHOENIX, AZ ZIP + 4 85018

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 page 33 of the instructions.)

Table with 5 main columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93 Program service revenue, 94 Membership dues and assessments, 95 Interest on savings and temporary cash investments, 96 Dividends and interest from securities, 97 Net rental income or (loss) from real estate, 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, 104 Subtotal, 105 Total.

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.)

Table with 2 columns: 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).

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

Table with 5 columns: (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.

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? (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Signature and information block containing: Signature of officer (Clint Bolick), Date (5/13/05), Type or print name and title (Clint Bolick Pres. & General Counsel), Preparer's signature (CMA), Date (5/13/05), Firm's name (CLIFTON GUNDERSON LLP), Address (3003 N. CENTRAL AVE., STE 500 PHOENIX, AZ 85012), EIN, and Phone no. ((602) 266-2248).

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 1

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
SCHOOL CHOICE REFORM	PARENTS FOR CHOICE IN EDUCATION	WEST VALLEY CITY, UT	NONE	20,000.
RADIO CAMPAIGN	LEAD	NEW YORK, NEW YORK	NONE	36,500.
EDUCATION - LEGISLATIVE SESSION	TEXANS FOR EDUCATIONAL EXCELLENCE	HELOTES, TX	NONE	5,000.
EDUCATION - LEGISLATIVE SESSION	TEXANS FOR EDUCATIONAL EXCELLENCE	HELOTES, TX	NONE	25,000.
REFERENDUM INITIATIVE	APPROVE REFERENDUM 55	SEATTLE, WA	NONE	5,000.
EDUCATION - LEGISLATIVE SESSION	TEXANS FOR EDUCATIONAL EXCELLENCE	HELOTES, TX	NONE	100,000.
EDUCATION - LEGISLATIVE SESSION	SOUTHWEST L & M	ALBUQUERQUE, NM	NONE	1,252.
RESEARCH AND OUTREACH	REACH ALLIANCE	HARRISBURG, PA	NONE	60,000.
OUTREACH AND EDUCATION	PARENTS FOR CHOICE IN EDUCATION	SALT LAKE CITY, UT	NONE	60,000.
IN-KIND CONTRIBUTION	ALLIANCE FOR CHOICES IN EDUCATION	MILWAUKEE, WI	NONE	1,070.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				313,822.

FORM 990	OTHER ASSETS	STATEMENT	2
DESCRIPTION		AMOUNT	
DUE FROM ALLIANCE FOR SCHOOL CHOICE, INC.		5,915.	
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B		5,915.	

FORM 990	PART V - OFFICER COMPENSATION FROM RELATED ORGANIZATIONS	STATEMENT	3
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OFFICER'S NAME	NAME AND EIN OF RELATED ORGANIZATION	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
CLINT BOLICK	ALLIANCE FOR SCHOOL CHOICE, INC. - 52-2111508	167,853.	2,569.	0.

**ADVOCATES FOR SCHOOL CHOICE
BOARD MEMBERS**

William Oberndorf (Chair)

SPO Partners
Mill Valley, CA

**Clint Bolick (President and General
Counsel)**

Alliance for School Choice
Phoenix, AZ

Alex Cranberg

Aspect Resources, LLC
Denver, CO

Betsy DeVos

Windquest Group, Inc.
Grand Rapids, MI

Howard Fuller

Inst. for the Transformation of Learning
Marquette University
Milwaukee, WI

Lisa Graham Keegan

Peoria, AZ

John Kirtley (Vice-chair)

Florida Education Freedom Foundation
Tampa, FL

Steve Schuck

Schuck Communities, Inc.
Colorado Springs, CO

Board members, except as provided on Part V, do not receive any compensation.