Form **990**

Department of the Treasury
Internal Revenue Service

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)

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

OMB No 1545-0047

2003

Open to Public Inspection

A For the 2003 calendar year, or tax year beginning 1 October 2003 , and ending 30 September 2004

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

Please use IRS label or print or type See Specific Instructions

C Name of organization: Competitive Enterprise Institute

Number and street (or P O box if mail is not delivered to street address): 1001 Connecticut Avenue, NW — Room/suite: 1250

City or town: Washington — State or country: DC — ZIP + 4: 20036

D Employer identification number: 52-1351785

E Telephone number: 202/331-1010

F Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

• **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 See instructions)

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

I Group Exemption Number ▶

G Website: ▶ www cei org

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**

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 ▶ 2,957,694

Part I — Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions)

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a	2,883,761		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	**Total** (add lines 1a through 1c) (cash $ 2,839,498 noncash $ 44,263)			1d	2,883,761
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	1,488
	3	Membership dues and assessments			3	0
	4	Interest on savings and temporary cash investments			4	0
	5	Dividends and interest from securities			5	20,091
	6 a	Gross rents	6a	11,067		
	b	Less rental expenses	6b	16,716		
	c	Net rental income or (loss) (subtract line 6b from line 6a)			6c	-5,649
	7	Other investment income (describe ▶)			7	0

		(A) Securities		(B) Other
8 a	Gross amount from sales of assets other than inventory	21,267	8a	0
b	Less cost or other basis and sales expenses	21,441	8b	0
c	Gain or (loss) (attached schedule 1)	-174	8c	0

Revenue	d	Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	-174
	9	Special events and activities (attach schedule) If any amount is from **gaming**, check here ▶ ☐				
	a	Gross revenue (not including $ 0 of contributions reported on line 1a)	9a	0		
	b	Less direct expenses other than fundraising expenses	9b	0		
	c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	0
	10 a	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	0
	11	Other revenue (from Part VII, line 103)			11	20,020
	12	**Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	2,919,537
Expenses	13	Program services (from line 44, column (B))			13	2,355,657
	14	Management and general (from line 44, column (C))			14	142,317
	15	Fundraising (from line 44, column (D))			15	561,294
	16	Payments to affiliates (attach schedule)			16	0
	17	**Total expenses** (add lines 16 and 44, column (A))			17	3,059,268
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	-139,731
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	1,820,533
	20	Other changes in net assets or fund balances (attach explanation)			20	-9,994
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	1,670,808

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For Paperwork Reduction Act Notice, see the separate instructions.

(HTA)

10

Part II **Statement of Functional Expenses** All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 22 of the instructions)

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 $ 0 noncash $ 0)	22	0	0		
23 Specific assistance to individuals (attach schedule)	23	0			
24 Benefits paid to or for members (attach schedule)	24	0			
25 Compensation of officers, directors, etc	25	397,979	269,536	18,312	110,131
26 Other salaries and wages	26	1,212,305	1,056,974	45,072	110,259
27 Pension plan contributions	27	0			
28 Other employee benefits	28	183,060	153,634	8,295	21,131
29 Payroll taxes	29	118,966	97,614	5,220	16,132
30 Professional fundraising fees	30	0			
31 Accounting fees	31	6,101	4,578	748	775
32 Legal fees	32	0			
33 Supplies	33	23,375	15,300	1,870	6,205
34 Telephone	34	39,036	28,046	3,245	7,745
35 Postage and shipping	35	24,036	19,382	-708	5,362
36 Occupancy	36	248,465	186,430	31,663	30,372
37 Equipment rental and maintenance	37	19,040	6,783	1,108	11,149
38 Printing and publications	38	123,405	105,115	1,007	17,283
39 Travel	39	100,138	46,544	259	53,335
40 Conferences, conventions, and meetings	40	186,802	51,383	3,390	132,029
41 Interest	41	1,064	799	130	135
42 Depreciation, depletion, etc (attached schedule 4)	42	81,296	60,998	9,966	10,332
43 Other expenses not covered above (itemize) a Consulting	43a	171,257	156,931	3,182	11,144
b Books & Subscriptions	43b	52,166	41,840	3,618	6,708
c Issue Marketing & News Releases	43c	23,003	19,664	1,639	1,700
d Insurance	43d	17,912	13,440	2,196	2,276
e Miscellaneous	43e	11,393	5,196	729	5,468
f Computer Services	43f	18,469	15,470	1,376	1,623
44 **Total functional expenses** (add lines 22 through 43) ***Organizations completing columns (B)-(D), carry these totals to lines 13-15***	44	3,059,268	2,355,657	142,317	561,294

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 $ 0, **(ii)** the amount allocated to Program services $ ____, **(iii)** the amount allocated to Management and general $ ____, and **(iv)** the amount allocated to Fundraising $ ____

Part III **Statement of Program Service Accomplishments** (See page 25 of the instructions)

What is the organization's primary exempt purpose? ▶ attached schedule 2

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 Environmental Studies Program seeks to analyze and promote property-based approaches to environmental protection as well as exploring methods of preserving both individual liberty & the environment (Grants and allocations $)	670,888
b Publications Publications disseminate information on topics of a free society to better educate the general public (Grants and allocations $)	394,807
c Reulatory Reform Program seeks to analyze and promote free-market regulatory policies in areas ranging from technology to health and safety (Grants and allocations $)	325,095
d Free-Market Legal Litigation Program seeks to develope new tolls for challenging government regulations and to use these in administrative ans court actions to better balance the public policy debate and to restore property and contract rights (Grants and allocations $)	363,921
e Other program services (attached schedule 3) (Grants and allocations $)	600,946
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	2,355,657

Part IV **Balance Sheets** (See page 25 of the instructions)

	Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only*			**(A)** Beginning of year		**(B)** End of year
Assets	45 Cash—non-interest-bearing			1,684,443	45	1,547,908
	46 Savings and temporary cash investments				46	
	47 a Accounts receivable	47a	8,784			
	b Less. allowance for doubtful accounts	47b	0	790	47c	8,784
	48 a Pledges receivable	48a	11,000			
	b Less allowance for doubtful accounts	48b	0	24,441	48c	28,442
	49 Grants receivable				49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			0	50	0
	51 a Other notes and loans receivable (attach schedule)	51a	0			
	b Less allowance for doubtful accounts	51b	0	0	51c	0
	52 Inventories for sale or use				52	
	53 Prepaid expenses and deferred charges			61,765	53	19,205
	54 Investments—securities (attach schedule) ▶ ☐ Cost ☐ FMV			0	54	0
	55 a Investments—land, buildings, and equipment basis	55a	0			
	b Less accumulated depreciation (attach schedule)	55b	0	0	55c	0
	56 Investments—other (attach schedule)			0	56	0
	57 a Land, buildings, and equipment basis	57a	642,163			
	b Less accumulated depreciation (attached schedule 4)	57b	499,167	164,067	57c	142,996
	58 Other assets (describe ▶ Deposits)			22,406	58	53,819
	59 **Total assets** (add lines 45 through 58) (must equal line 74)			1,957,912	59	1,801,154
Liabilities	60 Accounts payable and accrued expenses			109,629	60	107,802
	61 Grants payable				61	
	62 Deferred revenue				62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			0	63	0
	64 a Tax-exempt bond liabilities (attach schedule)			0	64a	0
	b Mortgages and other notes payable (attach schedule)			0	64b	0
	65 Other liabilities (describe ▶ Capital Lease & Deferred Construction)			27,750	65	22,544
	66 **Total liabilities** (add lines 60 through 65)			137,379	66	130,346
Net Assets or Fund Balances	**Organizations that follow SFAS 117, check here** ▶ ☐ and complete lines 67 through 69 and lines 73 and 74					
	67 Unrestricted			1,774,406	67	1,431,562
	68 Temporarily restricted			46,127	68	237,286
	69 Permanently restricted				69	
	Organizations that do not follow SFAS 117, check here ▶ ☐ 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)			1,820,533	73	1,670,808
	74 **Total liabilities and net assets / fund balances** (add lines 66 and 73)			1,957,912	74	1,801,154

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 (See page 27 of the instructions)

a	Total revenue, gains, and other support per audited financial statements		a	2,937,772
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) Rental Expenses	$ 16,716		
		$		
	Add amounts on lines (1) through (4)		b	16,716
c	Line a minus line b		c	2,921,056
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) Unrealized Gain	$ -1,519		
		$		
	Add amounts on lines (1) and (2)		d	-1,519
e	Total revenue per line 12, Form 990 (line c plus line d)		e	2,919,537

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

a	Total expenses and losses per audited financial statements		a	3,075,984
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) Rental Expenses	$ 16,716		
		$		
	Add amounts on lines (1) through (4)		b	16,716
c	Line a minus line b		c	3,059,268
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	3,059,268

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see page 27 of the instructions) (Continuation of Key Employee List - attached schedule 5)

(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
Name Fred L Smith Jr Str City Washington, ST DC ZIP	Title President Hr/WK 40	175,000	0	0
Name William O'Keefe Str City Washington ST DC ZIP	Title Treasurer/Secretary Hr/WK 2	0	0	0
Name Michael Greve Str City Washington ST DC ZIP	Title Director Hr/WK 4	7,917	0	0
Name William Dunn Str City Stuart ST FL ZIP	Title Director Hr/WK 1	0	0	0
Name Dr Leonard Liggio Str City Fairfax ST VA ZIP	Title Director Hr/WK 1	0	0	0
Name Dr Thomas Moore Str City Palo Alto ST CA ZIP	Title Director Hr/WK 1	0	0	0
Name Frances B Smith Str City Washington ST DC ZIP	Title Director Hr/WK 1	0	0	0
Name Jody M Clarke Str City Washinton ST DC ZIP	Title Vice President Hr/WK 40	85,000	0	0
Name Martha Hutto Str City Alexandria ST VA ZIP	Title Vice President Hr/WK 40	80,000	0	0
Name Emily C Duke Str City Alexandria ST VA ZIP	Title Vice President Hr/WK 40	65,000	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? ▶ ☐ Yes ☒ No
If "Yes," attach schedule—see page 28 of the instructions

Part VI Other Information (See page 28 of the instructions)

			Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	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?	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 ☐ exempt or ☐ nonexempt			
81 a	Enter direct and indirect political expenditures See line 81 instructions **81a** N/A			
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?	85a		N/A
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	85b		N/A
	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 on line 85f?	85g	N/A	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	N/A
86	*501(c)(7) orgs* 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) orgs.* Enter **a** Gross income from members or shareholders **87a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) **87b** 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 ▶ ______ , section 4912 ▶ ______ ; section 4955 ▶ ______			
b	*501(c)(3) and 501(c)(4) orgs* 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 ▶			
d	Enter Amount of tax on line 89c, above, reimbursed by the organization ▶			

90 a List the states with which a copy of this return is filed ▶ See attached worksheet

b Number of employees employed in the pay period that includes March 12, 2003 (See instructions) **90b** 24

91 The books are in care of ▶ Name Competitive Enterprise Institute Telephone no ▶ 202/331-1010

Located at ▶ 1001 Connecticut Ave , NW City Washington ST DC Zip + 4 ▶ 20036

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)

Note: *Enter gross amounts unless otherwise indicated*	Unrelated business income		Excluded by section 512, 513, or 514		(E)
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93 Program service revenue					
a Publications					1,488
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					
96 Dividends and interest from securities			14	20,091	
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			16	11,067	
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-174	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a Miscellaneous			15	20,020	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		51,004	1,488
105 **Total** (add line 104, columns (B), (D), and (E)) ▶					52,492

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	Sale of internally created publication is directly related to our exempt purpose

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	%		0	0
	%		0	0
	%		0	0
	%		0	0

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)*

Please Sign 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

▶ Fred L Smith Jr — Signature of officer | Date: 25 March 2025

[redacted] President

[redacted] Date | Check if self-employed ▶ ☐ | Preparer's SSN or PTIN (See Gen Inst W)

[redacted]

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

2003

Name of the organization: Competitive Enterprise Institute

Employer identification number: 52-1351785

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
Name Marlo Lewis Str City Washington ST DC Zip Country	Title Senior Fellow Avg hr/wk 40	100,000	0	0
Name Sam Kazman Str City Washington ST DC Zip Country	Title General Counsel Avg hr/wk 40	98,000	0	0
Name Myron Ebell Str City Wasington ST DC Zip Country	Title Dir Gl Warming Avg hr/wk 40	82,000	0	0
Name Angela Logomasini Str City Washington ST DC Zip Country	Title Dir Rsk & Env Avg hr/wk 40	67,000		
Name Iain Murray Str City Washington ST DC Zip Country	Title Gl Wm Policy Avg hr/wk 40	65,000		
Total number of other employees paid over $50,000 ▶	7			

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
Name Christopher Horner Check here if a business ☐ Str City Alexandria ST VA ZIP 22314 Country	Consulting Fees	60,000
Name Check here if a business ☐ Str City ST ZIP Country		
Name Check here if a business ☐ Str City ST ZIP Country		
Name Check here if a business ☐ Str City ST ZIP Country		
Name Check here if a business ☐ Str City ST ZIP Country		
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 ▶ $ 18,647 (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)	1	X	
	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?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? See Part V, Form 990	2d	X	
e	Transfer of any part of its income or assets?	2e		X
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.)	3a		X
b	Do you have a section 403(b) annuity plan for your employees?	3b		X
4	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4		X

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** ▶ City ST Country

10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)

11 a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

11 b ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

12 ☐ An organization that normally receives **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions—subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)

13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and 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 6 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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15	Gifts, grants, and contributions received (Do not include unusual grants See line 28)	3,056,783	2,935,335	3,109,944	2,656,633	11,758,695
16	Membership fees received					0
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	0	0	77,492	59,021	136,513
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	17,280	17,451	48,361	57,442	140,534
19	Net income from unrelated business activities not included in line 18					0
20	Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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					0
22	Other income Attached schedule 6 Do not include gain or (loss) from sale of capital assets	3,544	11,229	15,201	34,689	64,663
23	Total of lines 15 through 22	3,077,607	2,964,015	3,250,998	2,807,785	12,100,405
24	Line 23 minus line 17	3,077,607	2,964,015	3,173,506	2,748,764	11,963,892
25	Enter 1% of line 23	30,776	29,640	32,510	28,078	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶ **26a** 239,278

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 1999 through 2002 exceeded the amount shown in line 26a **Do not file this list with your return.** Enter the total of all these excess amounts ▶ **26b** 3,092,220

c Total support for section 509(a)(1) test Enter line 24, column (e) ▶ **26c** 11,963,892

d Add Amounts from column (e) for lines 18 140,534 19 0 22 64,663 26b 3,092,220 ▶ **26d** 3,297,417

e Public support (line 26c minus line 26d total) ▶ **26e** 8,666,475

f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ **26f** 72 44%

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

(2002) ____ (2001) ____ (2000) ____ (1999) ____

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

(2002) ____ (2001) ____ (2000) ____ (1999) ____

c Add Amounts from column (e) for lines 15 0 16 0 17 0 20 0 21 0 ▶ **27c** 0

d Add Line 27a total 0 and line 27b total 0 ▶ **27d** 0

e Public support (line 27c total minus line 27d total) ▶ **27e** 0

f Total support for section 509(a)(2) test Enter amount from line 23, column (e) ▶ **27f** 0

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ **27g** 0 00%

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ **27h** 0 00%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, 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) Not Applicable
(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?	29		
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?	30		
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?	31		
	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?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	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?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	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?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	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	35		

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
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		0
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37		18,647
38	Total lobbying expenditures (add lines 36 and 37)	38	0	18,647
39	Other exempt purpose expenditures	39		3,040,621
40	Total exempt purpose expenditures (add lines 38 and 39)	40	0	3,059,268
41	Lobbying nontaxable amount Enter the amount from the following table—	41	0	302,963
42	Grassroots nontaxable amount (enter 25% of line 41)	42	0	75,741
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	0	0
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0	0

If the amount on line 40 is—	**The lobbying nontaxable amount is—**
Not over $500,000	20% of the amount on line 40
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

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)

		Lobbying Expenditures During 4-Year Averaging Period				
	Calendar year (or fiscal year beginning in) ▶	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45	Lobbying nontaxable amount	278,574	278,495	280,578	325,933	1,163,580
46	Lobbying ceiling amount (150% of line 45(e))					1,745,370
47	Total lobbying expenditures	18,547	12,412	10,981	3,468	45,408
48	Grassroots nontaxable amount	69,644	69,624	70,145	81,483	290,896
49	Grassroots ceiling amount (150% of line 48(e))					436,344
50	Grassroots lobbying expenditures					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?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

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

(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.

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

Schedule 1

Competitive Enterprise Insitute
IRS Form 990 - Fiscal Year Ended 9/30/04
Line 8a-d

(A) Securities		
Contributed Stock Gift (FMV date of gift)	21,441	
Proceeds from Stock Sale	21,267	
Gain (Loss) Stock Sale		(174)

Schedule 2

Competitive Enterprise Insitute
IRS Form 990 - Fiscal Year Ended 9/30/04
Page 2, Part III

Statement of Purpose

The Competitive Enterprise Institute is a non-profit public policy organization dedicated to the principles of free enterprise and limited government We believe that consumers are best helped not by government regulation but by being allowed to make their own choices in a free marketplace

Schedule 3

Competitive Enterprise Insitute
IRS Form 990 - Fiscal Year Ended 9/30/04
Page 2, Part III - e

Other Program Services

Media Outreach	264,998
Economic Studies	317,302
Lobbying Costs	18,646
	600,946

Schedule 4

Competitive Enterprise Insitute
IRS Form 990 - Fiscal Year Ended 9/30/04
Page 2, Part II, Line 42
Page 3, Part IV, Line 57a thru 57b

Fixed Assets & Depreciation / Accumulated Depreciation

<u>Fixed Assets & Depreciation</u>

Beginning Fixed Assets	581,732
Purchases	104,487
Disposals	(44,056)
Ending Fixed Assets	642,163

<u>Accumulated Depreciation</u>

Beginning Accumulated Depreciation	417,871
Depreciation Expense	81,296
Disposals	-
Ending Accumulated Depreciation	499,167

Schedule 5

Competitive Enterprise Insitute
IRS Form 990 - Fiscal Year Ended 9/30/04
Part V, List of Officers, Directors Trustees & Key Employees (continuation)

(A) Name & Address	(B) Title & Avg Hours per Week Devoted to Position	(C) Compensation	(D) Contributions to Employee Benefit Plan	(E) Expense Accts & Other Allowances
Wayne Crews Washington, DC	VP 40 Hours	54,500	0	0

Schedule 6

Competitive Enterprise Insitute
IRS Form 990 - Fiscal Year Ended 9/30/04
Schedule A , Part IV-A, Line 22

	2002 Other Income	2001 Other Income	2000 Other Income	1999 Other Income
Miscellaneous	1,349	10,882	8,047	18,379
Publications	2,195	347	7,154	16,310
	3,544	11,229	15,201	34,689