

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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013****Open to Public  
Inspection****A** For the **2013** calendar year, or tax year beginning

04/01, 2013, and ending

03/31, 2014

**B** Check if applicable:

- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

**C** Name of organization

CATO INSTITUTE

**D** Doing Business As

Number and street (or P.O. box if mail is not delivered to street address)

1000 MASSACHUSETTS AVE., N.W.

## Room/suite

City or town, state or province, country, and ZIP or foreign postal code

WASHINGTON, DC 20001-5403

**F** Name and address of principal officer:

JOHN ALLISON

1000 MASSACHUSETTS AVE., N.W. WASHINGTON, DC 20001

**D** Employer identification number

23-7432162

**E** Telephone number

(202) 842-0200

**G** Gross receipts \$ 29,121,823.**H(a)** Is this a group return for subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ WWW.CATO.ORG**H(c)** Group exemption number ▶**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: 1974 **M** State of legal domicile: KS**Part I Summary**

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO ORIGINATE, DISSEMINATE, AND INCREASE UNDERSTANDING OF PUBLIC POLICIES BASED ON THE PRINCIPLES OF INDIVIDUAL LIBERTY, LIMITED GOVERNMENT, FREE MARKETS, AND PEACE.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	18.
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	17.
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	233.
	6 Total number of volunteers (estimate if necessary)	6	17.
Revenue	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0
	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	20,782,297.	27,386,455.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	789,744.	661,801.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	82,622.	86,264.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	351,702.	215,590.
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	22,006,365.	28,350,110.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	873,596.	708,851.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
Expenses	16a Professional fundraising fees (Part IX, column (A), line 11e)	12,960,835.	13,172,134.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 3,521,956.	0	0
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	12,194,414.	10,657,580.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	26,028,845.	24,538,565.
	19 Revenue less expenses. Subtract line 18 from line 12	-4,022,480.	3,811,545.
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	60,639,117.	64,520,251.
	22 Net assets or fund balances. Subtract line 21 from line 20	1,907,422.	2,065,271.

**Part II Signature Block**

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.

Sign Here

Signature of officer

Date

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date 2/13/15

Check ☐ if self-employed

PTIN P00957510

Firm's name ▶ COHNREZNICK LLP

Firm's EIN ▶ 22-1478099

Firm's address ▶ 6720B ROCKLEDGE DRIVE, SUITE 750 BETHESDA, MD 20817

Phone no. 301-654-7555

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2013)

**Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

TO ORIGINATE, DISSEMINATE, AND INCREASE UNDERSTANDING OF PUBLIC  
POLICIES BASED ON THE PRINCIPLES OF INDIVIDUAL LIBERTY, LIMITED  
GOVERNMENT, FREE MARKETS, AND PEACE.

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code: ) (Expenses \$ 10,990,726. including grants of \$ 708,851. ) (Revenue \$ )

POLICY ANALYSIS AND RESEARCH - STUDY AND EXAMINATION OF AREAS SUCH  
AS HEALTH CARE, INTERNATIONAL ECONOMICS AND DEVELOPMENT, TRADE  
POLICY, REGULATORY STUDIES, ENVIRONMENT, FOREIGN POLICY AND  
DEFENSE, EDUCATION, CONSTITUTIONAL STUDIES, FISCAL POLICY, AND  
DOMESTIC ISSUES IN ORDER TO PROMOTE AND DISSEMINATE LIBERTARIAN  
PHILOSOPHY AND IDEAS.

**4b** (Code: ) (Expenses \$ 4,922,963. including grants of \$ ) (Revenue \$ 380,566. )

PUBLICATIONS AND MEDIA - INCLUDES 22 POLICY ANALYSES, 4  
DEVELOPMENT POLICY PAPERS, 8 TRADE POLICY PAPERS AND 4 TAX AND  
BUDGET BULLETINS. ALSO 4 ISSUES OF REGULATION MAGAZINE, 3 ISSUES  
OF CATO JOURNAL, 12 AUDIO CD'S AND 10 PUBLISHED BOOKS.

**4c** (Code: ) (Expenses \$ 2,527,444. including grants of \$ ) (Revenue \$ 661,801. )

CONFERENCES AND FORUMS/SEMINARS - CATO SPONSORED 513 FORUMS AND  
SEMINARS WITH TOPICS INCLUDING CONSTITUTIONAL STUDIES, MONETARY  
POLICY, LIMITED GOVERNMENT, HEALTH CARE, INTERNATIONAL TRADE AND  
ECONOMICS, TECHNOLOGY, FREE MARKETS, ENVIRONMENT, TERRORISM AND  
DEFENSE.

**4d** Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses ► 18,441,133.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? . . . . .	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .	3	X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II . . . . .	4	X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III . . . . .	5	X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I . . . . .	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II . . . . .	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV . . . . .	9	X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V . . . . .	10 X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI . . . . .	11a X	
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII . . . . .	11b	X
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII . . . . .	11c	X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX . . . . .	11d	X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X . . . . .	11e X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X . . . . .	11f X	
12 a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII . . . . .	12a X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional . . . . .	12b	X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .	13	X
14 a Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	14a X	
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV . . . . .	14b X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV . . . . .	15 X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV . . . . .	16 X	
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) . . . . .	17	X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .	18	X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .	19	X
20 a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H . . . . .	20a	X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .	20b	

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II . . . . .</i>	<b>21</b> X	
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III . . . . .</i>	<b>22</b> X	
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J . . . . .</i>	<b>23</b> X	
<b>24 a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a. . . . .</i>	<b>24a</b>	X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>	
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>	
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>	
<b>25 a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I . . . . .</i>	<b>25a</b>	X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I . . . . .</i>	<b>25b</b>	X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payable to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II. . . . .	<b>26</b>	X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III. . . . .</i>	<b>27</b>	X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV. . . . .</i>	<b>28a</b>	X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV. . . . .</i>	<b>28b</b>	X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV. . . . .</i>	<b>28c</b>	X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M . . . . .</i>	<b>29</b> X	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M . . . . .</i>	<b>30</b>	X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I. . . . .</i>	<b>31</b>	X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II . . . . .</i>	<b>32</b>	X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I . . . . .</i>	<b>33</b>	X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 . . . . .</i>	<b>34</b>	X
<b>35 a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .	<b>35a</b>	X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2. . . . .</i>	<b>35b</b>	
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>	<b>36</b>	X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI. . . . .</i>	<b>37</b>	X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O. . . . .	<b>38</b> X	

Form 990 (2013)

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	<b>1a</b> 163		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	<b>1b</b> 0		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>		
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	<b>2a</b> 233		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	<b>2b</b>	X	
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>		X
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	<b>3b</b>		
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>		X
<b>b</b> If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>		X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>		X
<b>c</b> If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>		
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	<b>6a</b>		X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>	X	
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	X	
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>		X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year.	<b>7d</b>		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>		X
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>		X
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>		
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>		
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b> Did the organization make any taxable distributions under section 4966?	<b>9a</b>		
<b>b</b> Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>		
<b>10 Section 501(c)(7) organizations.</b> Enter:			
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12.	<b>10a</b>		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<b>10b</b>		
<b>11 Section 501(c)(12) organizations.</b> Enter:			
<b>a</b> Gross income from members or shareholders.	<b>11a</b>		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.).	<b>11b</b>		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>		
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	<b>12b</b>		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>		
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	<b>13b</b>		
<b>c</b> Enter the amount of reserves on hand.	<b>13c</b>		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>		X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	<b>14b</b>		



**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI ☒ X

**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year . . . . . <b>1a</b> 18		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent . . . . . <b>1b</b> 17		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . . <b>2</b>		X
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . . . . <b>3</b>		X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . . <b>4</b>		X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . . <b>5</b>		X
<b>6</b> Did the organization have members or stockholders? . . . . . <b>6</b>		X
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . . <b>7a</b>	X	
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . . <b>7b</b>	X	
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body? . . . . . <b>8a</b>	X	
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . . <b>8b</b>	X	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . . <b>9</b>		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates? . . . . . <b>10a</b>		X
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . . <b>10b</b>		
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . . <b>11a</b>	X	
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . . <b>12a</b>	X	
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . . <b>12b</b>	X	
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . . <b>12c</b>	X	
<b>13</b> Did the organization have a written whistleblower policy? . . . . . <b>13</b>	X	
<b>14</b> Did the organization have a written document retention and destruction policy? . . . . . <b>14</b>	X	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official . . . . . <b>15a</b>	X	
<b>b</b> Other officers or key employees of the organization . . . . . <b>15b</b>		X
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . . <b>16a</b>		X
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . . <b>16b</b>		

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed ► ATTACHMENT 1

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

**19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► VALERIE USHER 1000 MASSACHUSETTS AVENUE, N.W. WASHINGTON, DC 20001-5403 202-842-0200

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response or note to any line in this Part VII. ☒ X**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) RICHARD J. DENNIS DIRECTOR	2.50	X						0	0	0
(2) JOHN C. MALONE DIRECTOR	2.50	X						0	0	0
(3) LEWIS E. RANDALL DIRECTOR	2.50	X						0	0	0
(4) HOWARD S. RICH DIRECTOR	2.50	X						0	0	0
(5) JEFFREY S. YASS DIRECTOR	2.50	X						0	0	0
(6) FRED YOUNG DIRECTOR	2.50	X						0	0	0
(7) ETHELMAE C. HUMPHREYS DIRECTOR	2.50	X						0	0	0
(8) DAVID H. KOCH DIRECTOR	2.50	X						0	0	0
(9) DONALD G. SMITH DIRECTOR	2.50	X						0	0	0
(10) ROBERT A. LEVY CHAIRMAN	2.50	X		X				0	0	0
(11) K. TUCKER ANDERSEN DIRECTOR	2.50	X						0	0	0
(12) NANCY PFOTENHAUER DIRECTOR	2.50	X						0	0	0
(13) PRESTON MARSHALL DIRECTOR	2.50	X						0	0	0
(14) JOHN A. ALLISON PRESIDENT	40.00	X		X				513,846.	0	730.

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
15) NESTOR WEIGAND, JR. DIRECTOR	2.50	X						0	0	0
16) BARON BOND DIRECTOR	2.50	X						0	0	0
17) JAMES M. KILTS DIRECTOR	2.50	X						0	0	0
18) JAMES M. LAPEYRE JR. DIRECTOR	2.50	X						0	0	0
19) WILLIAM DUNN (THROUGH 9/2013) DIRECTOR	2.50	X						0	0	0
20) DAVID BOAZ EXECUTIVE VICE PRESIDENT	40.00			X				260,520.	0	25,410.
21) WILLIAM ERICKSON VP OF FINANCE & ADMINISTRATION	40.00			X				179,209.	0	30,015.
22) ANTHONY PRYOR SECRETARY	40.00			X				79,375.	0	3,001.
23) TERRY BROWN CHIEF ADMINISTRATIVE OFFICER	40.00			X				81,826.	0	4,148.
24) GAYLLIS WARD SECRETARY	40.00			X				60,000.	0	0
25) ROGER PILON VP FOR LEGAL AFFAIRS	40.00					X		175,447.	0	31,673.
<b>1b Sub-total</b>								513,846.	0	730.
<b>c Total from continuation sheets to Part VII, Section A</b>								1,949,962.	0	172,011.
<b>d Total (add lines 1b and 1c)</b>								2,463,808.	0	172,741.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **32**

- 3** Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
<b>3</b>	X	
<b>4</b>	X	
<b>5</b>		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 2		

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **16**



**Part VII**    **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

[illegible]

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 32

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .		X

## Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►		

**Part VIII Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII. ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	1a	Federated campaigns . . . . .	1a				
	b	Membership dues . . . . .	1b				
	c	Fundraising events . . . . .	1c				
	d	Related organizations . . . . .	1d				
	e	Government grants (contributions) . . . . .	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above . . . . .	1f	27,386,455.			
	g	Noncash contributions included in lines 1a-1f: \$ . . . . .		2,130,134.			
	h	<b>Total.</b> Add lines 1a-1f . . . . .		27,386,455.			
<b>Program Service Revenue</b>	2a	CONFERENCES	Business Code 900099	661,801.	661,801.		
	b						
	c						
	d						
	e						
	f	All other program service revenue . . . . .					
	g	<b>Total.</b> Add lines 2a-2f . . . . .		661,801.			
	<b>Other Revenue</b>	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		89,116.		
4		Income from investment of tax-exempt bond proceeds . . . . .		0			
5		Royalties . . . . .		40,791.			40,791.
			(i) Real (ii) Personal				
6a		Gross rents . . . . .					
b		Less: rental expenses . . . . .					
c		Rental income or (loss) . . . . .					
d		Net rental income or (loss) . . . . .		0			
7a		Gross amount from sales of assets other than inventory . . . . .	(i) Securities (ii) Other 603,885.				
b		Less: cost or other basis and sales expenses . . . . .	606,737.				
c		Gain or (loss) . . . . .	-2,852.				
d		Net gain or (loss) . . . . .		-2,852.			-2,852.
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . .	a				
b		Less: direct expenses . . . . .	b				
c		Net income or (loss) from fundraising events . . . . .		0			
9a		Gross income from gaming activities. See Part IV, line 19 . . . . .	a				
b		Less: direct expenses . . . . .	b				
c		Net income or (loss) from gaming activities . . . . .		0			
10a	Gross sales of inventory, less returns and allowances . . . . .	a	339,071.				
b	Less: cost of goods sold . . . . .	b	164,976.				
c	Net income or (loss) from sales of inventory . . . . .		174,095.	174,095.			
<b>Miscellaneous Revenue</b>			<b>Business Code</b>				
11a	MAILING LIST SALES	900004	704.			704.	
b							
c							
d	All other revenue . . . . .						
e	<b>Total.</b> Add lines 11a-11d . . . . .		704.				
12	<b>Total revenue.</b> See instructions . . . . .		28,350,110.	835,896.		127,759.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 .	20,000.	20,000.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22 . . . . .	348,850.	348,850.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16. . . . .	340,001.	340,001.		
4 Benefits paid to or for members . . . . .	0			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	1,349,984.	367,905.	735,828.	246,251.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
7 Other salaries and wages . . . . .	9,773,001.	8,437,813.	379,514.	955,674.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .	411,511.	355,720.	10,342.	45,449.
9 Other employee benefits . . . . .	884,984.	778,622.	43,694.	62,668.
10 Payroll taxes . . . . .	752,654.	618,327.	63,253.	71,074.
11 Fees for services (non-employees):				
a Management . . . . .	0			
b Legal . . . . .	22,618.	2,824.	19,794.	
c Accounting . . . . .	48,074.		48,024.	50.
d Lobbying . . . . .	0			
e Professional fundraising services. See Part IV, line 17. . . . .	0			
f Investment management fees . . . . .	114,658.	20,493.	93,890.	275.
9 Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . . . . .	1,047,926.	571,612.	120,326.	355,988.
12 Advertising and promotion . . . . .	246,183.	232,216.	529.	13,438.
13 Office expenses . . . . .	3,063,815.	1,725,669.	358,055.	980,091.
14 Information technology . . . . .	616,360.	466,573.	60,622.	89,165.
15 Royalties . . . . .	0			
16 Occupancy . . . . .	427,638.	323,981.	42,374.	61,283.
17 Travel . . . . .	1,121,156.	892,568.	30,821.	197,767.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19 Conferences, conventions, and meetings . . . . .	927,577.	904,941.	12,777.	9,859.
20 Interest . . . . .	4,929.		4,929.	
21 Payments to affiliates . . . . .	0			
22 Depreciation, depletion, and amortization . . . . .	1,478,055.	1,121,548.	145,736.	210,771.
23 Insurance . . . . .	161,984.		161,984.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a REAL ESTATE TAXES	321,890.	244,250.	31,738.	45,902.
b MAILING LIST EXPENSE	135,256.	32,869.		102,387.
c HONORARIUM	280,550.	266,050.		14,500.
d DUES AND SUBSCRIPTIONS	287,062.	226,189.	16,739.	44,134.
e All other expenses	351,849.	142,112.	194,507.	15,230.
25 Total functional expenses. Add lines 1 through 24e	24,538,565.	18,441,133.	2,575,476.	3,521,956.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . .	659,064.	519,472.		139,592.

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing	300.	<b>1</b>	19,130,674.
	<b>2</b> Savings and temporary cash investments	12,233,650.	<b>2</b>	5,356.
	<b>3</b> Pledges and grants receivable, net	5,882,737.	<b>3</b>	3,726,690.
	<b>4</b> Accounts receivable, net	28,062.	<b>4</b>	111,643.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	<b>5</b>	0
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	<b>6</b>	0
	<b>7</b> Notes and loans receivable, net	0	<b>7</b>	0
	<b>8</b> Inventories for sale or use	230,809.	<b>8</b>	239,011.
	<b>9</b> Prepaid expenses and deferred charges	163,753.	<b>9</b>	295,828.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 49,139,351.		
	<b>b</b> Less: accumulated depreciation	<b>10b</b> 11,482,478.		
	<b>11</b> Investments - publicly traded securities	38,978,064.	<b>10c</b>	37,656,873.
	<b>12</b> Investments - other securities. See Part IV, line 11	3,036,238.	<b>11</b>	3,268,672.
	<b>13</b> Investments - program-related. See Part IV, line 11	0	<b>12</b>	0
	<b>14</b> Intangible assets	0	<b>13</b>	0
	<b>15</b> Other assets. See Part IV, line 11	0	<b>14</b>	0
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	85,504.	<b>15</b>	85,504.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	60,639,117.	<b>16</b>	64,520,251.
	<b>18</b> Grants payable	1,048,087.	<b>17</b>	1,415,588.
	<b>19</b> Deferred revenue	10,000.	<b>18</b>	0
	<b>20</b> Tax-exempt bond liabilities	46,643.	<b>19</b>	72,918.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D	0	<b>20</b>	0
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	<b>21</b>	0
	<b>23</b> Secured mortgages and notes payable to unrelated third parties	0	<b>22</b>	0
	<b>24</b> Unsecured notes and loans payable to unrelated third parties	0	<b>23</b>	0
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	0	<b>24</b>	0
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25	802,692.	<b>25</b>	576,765.
	<b>27</b> <b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>	1,907,422.	<b>26</b>	2,065,271.
<b>Net Assets or Fund Balances</b>	<b>27</b> Unrestricted net assets	45,016,738.	<b>27</b>	50,374,102.
	<b>28</b> Temporarily restricted net assets	10,704,860.	<b>28</b>	9,070,781.
	<b>29</b> Permanently restricted net assets	3,010,097.	<b>29</b>	3,010,097.
	<b>30</b> <b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>31</b> Capital stock or trust principal, or current funds		<b>30</b>	
	<b>32</b> Paid-in or capital surplus, or land, building, or equipment fund		<b>31</b>	
	<b>33</b> Retained earnings, endowment, accumulated income, or other funds		<b>32</b>	
	<b>34</b> <b>Total net assets or fund balances</b>	58,731,695.	<b>33</b>	62,454,980.
<b>35</b> <b>Total liabilities and net assets/fund balances</b>	60,639,117.	<b>34</b>	64,520,251.	

Form **990** (2013)

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☒

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	<b>1</b>	28,350,110.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25) . . . . .	<b>2</b>	24,538,565.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1 . . . . .	<b>3</b>	3,811,545.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	<b>4</b>	58,731,695.
<b>5</b>	Net unrealized gains (losses) on investments . . . . .	<b>5</b>	16,740.
<b>6</b>	Donated services and use of facilities . . . . .	<b>6</b>	0
<b>7</b>	Investment expenses . . . . .	<b>7</b>	0
<b>8</b>	Prior period adjustments . . . . .	<b>8</b>	0
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	<b>9</b>	-105,000.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) . . . . .	<b>10</b>	62,454,980.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☐

**1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

**2a** Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:

☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis

**b** Were the organization's financial statements audited by an independent accountant? . . . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:

☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis

**c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . .  
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

**3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .

**b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
<b>2a</b>		X
<b>2b</b>	X	
<b>2c</b>	X	
<b>3a</b>		
<b>3b</b>		

Form **990** (2013)



SCHEDULE A  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No. 1545-0047

2013

Open to Public  
Inspection

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization  
CATO INSTITUTE

Employer identification number  
23-7432162

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: \_\_\_\_\_
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ 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 exempt 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).** (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I    b ☐ Type II    c ☐ Type III-Functionally integrated    d ☐ Type III-Non-functionally integrated
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box. ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ☐
- (ii) A family member of a person described in (i) above? ☐
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2013

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .	29,717,643.	39,253,053.	31,736,230.	20,782,297.	27,386,455.	148,875,678.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						0
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						0
<b>4</b> <b>Total.</b> Add lines 1 through 3. . . . .	29,717,643.	39,253,053.	31,736,230.	20,782,297.	27,386,455.	148,875,678.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f). . . . .						17,027,240.
<b>6</b> <b>Public support.</b> Subtract line 5 from line 4. . . . .						131,848,438.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>7</b> Amounts from line 4 . . . . .	29,717,643.	39,253,053.	31,736,230.	20,782,297.	27,386,455.	148,875,678.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .	726,009.	430,432.	358,994.	194,225.	129,907.	1,839,567.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						0
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . ATCH. 1 . . . . .	5,530.	2,264.	354,940.	8,924.	704.	372,362.
<b>11</b> <b>Total support.</b> Add lines 7 through 10 . . . . .						151,087,607.
<b>12</b> Gross receipts from related activities, etc. (see instructions) . . . . .					12	5,370,896.
<b>13</b> <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . .						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) . . . . .	<b>14</b>	87.27%
<b>15</b> Public support percentage from 2012 Schedule A, Part II, line 14 . . . . .	<b>15</b>	87.63%
<b>16a</b> <b>33 1/3% support test - 2013.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .		<input checked="" type="checkbox"/>
<b>b</b> <b>33 1/3% support test - 2012.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
<b>17a</b> <b>10%-facts-and-circumstances test - 2013.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
<b>b</b> <b>10%-facts-and-circumstances test - 2012.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
<b>18</b> <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . .		<input type="checkbox"/>

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.  
If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>6 Total.</b> Add lines 1 through 5 . . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year . . . . .						
<b>c</b> Add lines 7a and 7b. . . . .						
<b>8 Public support.</b> (Subtract line 7c from line 6.) . . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>9</b> Amounts from line 6. . . . .						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
<b>c</b> Add lines 10a and 10b . . . . .						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.) . . . . .						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . . <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f)). . . . .	<b>15</b>	%
<b>16</b> Public support percentage from 2012 Schedule A, Part III, line 15 . . . . .	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f)) . . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from 2012 Schedule A, Part III, line 17 . . . . .	<b>18</b>	%
<b>19a 33 1/3% support tests - 2013.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>b 33 1/3% support tests - 2012.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>20 Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

**Part IV** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).ATTACHMENT 1

## SCHEDULE A, PART II - OTHER INCOME

DESCRIPTION	2009	2010	2011	2012	2013	TOTAL
MISCELLANEOUS INCOME	1,495.	1,979.	805.	6,631.		10,910.
MAILING LIST	4,035.	285.	4,135.	2,293.	704.	11,452.
INSURANCE SETTLEMENT INCOME			350,000.			350,000.
TOTALS	<u>5,530.</u>	<u>2,264.</u>	<u>354,940.</u>	<u>8,924.</u>	<u>704.</u>	<u>372,362.</u>

**Schedule B**(Form 990, 990-EZ,  
or 990-PF)Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**

OMB No. 1545-0047

**2013**▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**▶ **Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).****Name of the organization**

CATO INSTITUTE

**Employer identification number**

23-7432162

**Organization type (check one):****Filers of:****Section:**

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.**Special Rules**☒ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year . . . . . ▶ \$ \_\_\_\_\_**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).



Name of organization **CATO INSTITUTE**Employer identification number  
**23-7432162****Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 1,264,682.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2		\$ 1,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3		\$ 4,635,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4		\$ 1,200,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5		\$ 1,034,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization CATO INSTITUTE

Employer identification number

23-7432162

**Part II** Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----

Name of organization CATO INSTITUTE

Employer identification number

23-7432162

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry.For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ► \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
-----	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
-----	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
-----	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	-----	-----	-----
	-----	-----	-----
	-----	-----	-----

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
CATO INSTITUTE

Supplemental Financial Statements

Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

2013

Open to Public  
Inspection

Employer identification number  
23-7432162

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year . . . . .		
2 Aggregate contributions to (during year) . . . . .		
3 Aggregate grants from (during year) . . . . .		
4 Aggregate value at end of year . . . . .		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements . . . . .	2a
b Total acreage restricted by conservation easements . . . . .	2b
c Number of conservation easements on a certified historic structure included in (a) . . . . .	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register . . . . .	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? . . . . . ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? . . . . . ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X . . . . . ▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X . . . . . ▶ \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition  
 b ☐ Scholarly research  
 c ☐ Preservation for future generations  
 d ☐ Loan or exchange programs  
 e ☐ Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . . ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance . . . . .	1c
d Additions during the year . . . . .	1d
e Distributions during the year . . . . .	1e
f Ending balance . . . . .	1f

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII. . . . . ☐ Yes ☐ No

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance . . . . .	3,010,097.	2,010,097.	2,010,097.	2,010,097.	2,010,097.
b Contributions . . . . .		1,000,000.			
c Net investment earnings, gains, and losses . . . . .	51,086.	80,912.	61,866.	66,530.	4,536.
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	51,086.	80,912.	61,866.	66,530.	4,536.
f Administrative expenses . . . . .					
g End of year balance . . . . .	3,010,097.	3,010,097.	2,010,097.	2,010,097.	2,010,097.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ▶ \_\_\_\_\_ %  
 b Permanent endowment ▶ 100.0000 %  
 c Temporarily restricted endowment ▶ \_\_\_\_\_ %  
 The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations . . . . .	3a(i)	X
(ii) related organizations . . . . .	3a(ii)	X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		9,656,037.		9,656,037.
b Buildings . . . . .		34,736,961.	9,517,152.	25,219,809.
c Leasehold improvements . . . . .				
d Equipment . . . . .				
e Other . . . . .		4,746,353.	1,965,326.	2,781,027.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . . .				37,656,873.

Schedule D (Form 990) 2013



**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives . . . . .		
(2) Closely-held equity interests . . . . .		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) _____		
(2) _____		
(3) _____		
(4) _____		
(5) _____		
(6) _____		
(7) _____		
(8) _____		
(9) _____		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) _____	
(2) _____	
(3) _____	
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) . . . . . ►	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) CAPITAL LEASE OBLIGATION	152,831.	
(3) CHARITABLE GIFT ANNUITY	267,684.	
(4) LONG-TERM ACCRUED EXPENSES	156,250.	
(5) _____		
(6) _____		
(7) _____		
(8) _____		
(9) _____		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►		576,765.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	29,154,694.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	16,740.		
b	Donated services and use of facilities	2b	691,200.		
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d	-34,543.		
e	Add lines 2a through 2d			2e	673,397.
3	Subtract line 2e from line 1			3	28,481,297.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	33,789.		
b	Other (Describe in Part XIII.)	4b	-164,976.		
c	Add lines 4a and 4b			4c	-131,187.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)			5	28,350,110.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	25,431,409.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	691,200.		
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d	269,976.		
e	Add lines 2a through 2d			2e	961,176.
3	Subtract line 2e from line 1			3	24,470,233.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	33,789.		
b	Other (Describe in Part XIII.)	4b	34,543.		
c	Add lines 4a and 4b			4c	68,332.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)			5	24,538,565.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

**Part XIII** Supplemental Information (continued)

INTENDED USE OF THE ORGANIZATION'S ENDOWMENT FUNDS

SCHEDULE D, PART V, QUESTION 4

TO SUPPORT THE OPERATIONAL COSTS OF CATO'S CONSTITUTIONAL STUDIES AND  
STUDENT PROGRAMS THROUGH THE ANNUAL EARNINGS OF THE ENDOWMENT NET ASSETS.

OTHER REVENUE INCLUDED ON RETURN NOT ON BOOKS

SCHEDULE D, PART XI, LINE 4B

COST OF GOODS SOLD: (164,976)

OTHER EXPENSES INCLUDED ON BOOKS NOT ON FORM 990

SCHEDULE D, PART XII, LINE 2D

COST OF GOODS SOLD: 164,976

ALLOWANCE FOR UNCOLLECTIBLE PLEDGE: 105,000

-----  
269,976

FIN 48 FINANCIAL STATEMENT DISCLOSURE

SCHEDULE D, PART X, LINE 2

CATO HAS BEEN GRANTED TAX-EXEMPT STATUS AS A PUBLIC CHARITY WITHIN THE  
MEANING OF SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (IRC). ALTHOUGH  
THE ORGANIZATION IS GENERALLY EXEMPT FROM INCOME TAX, CATO  
IS SUBJECT TO UNRELATED BUSINESS INCOME TAXES UNDER SECTION 512 OF THE  
IRC, AS WELL AS SUBJECT TO EXCISE TAX ON EXCESS LOBBYING EXPENSES. THERE  
WAS NO UNRELATED BUSINESS INCOME OR EXCESS LOBBYING EXPENSES FOR THE

**Part XIII** Supplemental Information (continued)

YEARS ENDED MARCH 31, 2014 AND 2013; THEREFORE, NO PROVISION FOR INCOME TAX HAS BEEN RECORDED IN THE FINANCIAL STATEMENTS. CATO BELIEVES IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITION TAKEN AND, AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS. CATO RECOGNIZES INTEREST EXPENSE AND PENALTIES RELATED TO INCOME TAXES ON UNCERTAIN TAX POSITIONS IN MANAGEMENT AND GENERAL EXPENSES ON THE STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS AND ACCOUNTS PAYABLE AND ACCRUED EXPENSES IN THE STATEMENTS OF FINANCIAL POSITION. NO INTEREST EXPENSE AND PENALTIES RELATED TO INCOME TAXES ON UNCERTAIN TAX POSITIONS WERE RECOGNIZED FOR THE YEARS ENDED MARCH 31, 2014 AND 2013. TAX YEARS PRIOR TO 2010 ARE NO LONGER SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE OR THE TAX JURISDICTIONS OF KANSAS AND THE DISTRICT OF COLUMBIA.

OTHER REVENUE INCLUDED ON BOOKS NOT ON RETURN

SCHEDULE D, PART XI, LINE 2D

OTHER INCOME (DEBIT): -34,543

OTHER EXPENSES INCLUDED ON FORM 990 NOT ON BOOKS

SCHEDULE D, PART XII, LINE 4B

OTHER INCOME (DEBIT): 34,543

**SCHEDULE F  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

CATO INSTITUTE

**Statement of Activities Outside the United States**

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule F (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Employer identification number

23-7432162

**Part I** **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

**1 For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No

**2 For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

**3 Activities per Region.** (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) EUROPE		2.	GRANTMAKING	SCHOLARS	123,334.
(2) RUSSIA/INDEPENDENT STATES			GRANTMAKING		200,000.
(3) SOUTH AMERICA		1.	GRANTMAKING	SCHOLARS	16,667.
(4) SOUTH AMERICA		1.	PROGRAM SERVICES	CONFERENCES/WEBSITE	7,905.
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
<b>3a</b> Sub-total, . . . . .		4.			347,906.
<b>b</b> Total from continuation sheets to Part I . . . . .					
<b>c Totals</b> (add lines 3a and 3b)		4.			347,906.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2013

JSA  
3E1274 1.000

42832K M151 2/13/2015 9:30:29 AM V 13-7.15

PAGE 29



**Part II** Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)			RUSSIA/NEWLY IND. STATES	PROM LIBERTY	200,000.	WIRE		N/A	N/A
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter. . . . . 1.

3 Enter total number of other organizations or entities. . . . . 1.

**Part III** **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 16.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1) STIPENDS FOR SENIOR FELLOWS/ADJUNCT SCHO	EUROPE/ICELAND/GREENLAND	2.	123,334.	WIRE		N/A	N/A
(2) STIPENDS FOR SENIOR FELLOWS/ADJUNCT SCHO	SOUTH AMERICA	1.	16,667.	WIRE		N/A	N/A
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Schedule F (Form 990) 2013

**Part IV Foreign Forms**

- 1** Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926).* . . . . . ☐ Yes ☒ No
- 2** Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A).* . . . . . ☐ Yes ☒ No
- 3** Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471).* . . . . . ☐ Yes ☒ No
- 4** Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621).* . . . . . ☐ Yes ☒ No
- 5** Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865).* . . . . . ☐ Yes ☒ No
- 6** Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).* . . . . . ☐ Yes ☒ No

Schedule F (Form 990) 2013

**Part V Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS OUTSIDE THE UNITED STATES

SCHEDULE F, PART I, LINE 2

PROGRAMS ARE SUPERVISED BY PROJECT MANAGERS WHO PROVIDE OVERSIGHT,  
APPROVE PAYMENTS, AND PROVIDE AN ACCOUNTING OF FUNDS SPENT.

SCHEDULE I  
(Form 990)

Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

Department of the Treasury  
Internal Revenue Service

Name of the organization

CATO INSTITUTE

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Employer identification number

23-7432162

Open to Public  
Inspection

OMB No. 1545-0047

2013

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) REGENTS OF THE UNIVERSITY OF CALIFORNIA ONE SHIELDS AVENUE DAVIS, CA 95616	94-6036494	501 (C) (3)	20,000.				RESEARCH GIFT
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							
(8) -----							
(9) -----							
(10) -----							
(11) -----							
(12) -----							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ..... 1.

3 Enter total number of other organizations listed in the line 1 table ..... 1.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2013)

JSA

3E1288 1.000

42832K M151 2/13/2015 9:30:29 AM V 13-7.15

PAGE 34

**Part III** Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1	STIPENDS FOR SENIOR FELLOWS/ADJUNCT SCHOLARS	10.	348,850.		N/A	N/A
2						
3						
4						
5						
6						
7						

**Part IV** Supplemental Information. Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS IN THE UNITED STATES

SCHEDULE I, PART 1, LINE 2

PROGRAMS ARE SUPERVISED BY PROJECT MANAGERS WHO PROVIDE OVERSIGHT,

APPROVE PAYMENTS, AND PROVIDE AN ACCOUNTING OF FUNDS SPENT.



**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

- ▶ **Complete** if the organization answered "Yes" to Form 990, Part IV, line 23.  
▶ **Attach to Form 990.** ▶ **See separate instructions.**  
▶ **Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Name of the organization

CATO INSTITUTE

Employer identification number

23-7432162

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- ☐ First-class or charter travel  
☐ Travel for companions  
☐ Tax indemnification and gross-up payments  
☐ Discretionary spending account

- ☒ Housing allowance or residence for personal use  
☐ Payments for business use of personal residence  
☐ Health or social club dues or initiation fees  
☐ Personal services (e.g., maid, chauffeur, chef)

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- ☐ Compensation committee  
☒ Independent compensation consultant  
☒ Form 990 of other organizations

- ☐ Written employment contract  
☐ Compensation survey or study  
☒ Approval by the board or compensation committee

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?  
**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?  
**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?  
**b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?  
**b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2013

Schedule J (Form 990) 2013

Page 2

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

	(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	EDWARD H. CRANE FORMER PRESIDENT	(i) 400,000. (ii) 0	0	0	22,500.		422,500.	22,500.
2	DAVID BOAZ EXECUTIVE VICE PRESIDENT	(i) 260,520. (ii) 0	0	0	16,513.	8,897.	285,930.	0
3	WILLIAM ERICKSON VP OF FINANCE & ADMINISTRATION	(i) 176,209. (ii) 0	3,000.	0	12,786.	17,229.	209,224.	0
4	ROGER PILON VP FOR LEGAL AFFAIRS	(i) 175,447. (ii) 0	0	0	12,660.	19,013.	207,120.	0
5	ANDREI ILLARIONOV SENIOR FELLOW	(i) 169,300. (ii) 0	0	0	9,210.	6,123.	184,633.	0
6	JOHN A. ALLISON PRESIDENT	(i) 513,846. (ii) 0	0	0	0	730.	514,576.	0
7	WILLIAM LINDSEY VICE PRESIDENT FOR RESEARCH	(i) 194,534. (ii) 0	0	0	7,125.	14,575.	216,234.	0
8	JEROME TAYLOR VP OF DEVELOPMENT	(i) 175,403. (ii) 0	0	0	6,540.	5,568.	187,511.	0
9	PATRICK MICHAELS DIR., CTR FOR THE STUDY OF SCI.	(i) 174,348. (ii) 0	0	0	0	6,123.	180,471.	0
10		(i) (ii)						
11		(i) (ii)						
12		(i) (ii)						
13		(i) (ii)						
14		(i) (ii)						
15		(i) (ii)						
16		(i) (ii)						

Schedule J (Form 990) 2013

**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

WRITTEN POLICY REGARDING REIMBURSEMENT

SCHEDULE J, LINE 1B

THE BOARD APPROVED THE PRESIDENT'S HOUSING ALLOWANCE AS PART OF HIS  
EMPLOYMENT AGREEMENT.

SEVERANCE PAYMENT

SCHEDULE J, LINE 4A

EDWARD CRANE RECEIVED A SEVERANCE PAYMENT OF \$250,000.

**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Noncash Contributions**

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open To Public  
Inspection**

Name of the organization

CATO INSTITUTE

Employer identification number

23-7432162

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art. . . . .				
2 Art - Historical treasures. . . . .				
3 Art - Fractional interests. . . . .				
4 Books and publications. . . . .				
5 Clothing and household goods. . . . .				
6 Cars and other vehicles. . . . .				
7 Boats and planes. . . . .				
8 Intellectual property. . . . .				
9 Securities - Publicly traded. . . . .	X	52.	2,130,134.	FMV DATE OF RECEIPT
10 Securities - Closely held stock. . . . .				
11 Securities - Partnership, LLC, or trust interests. . . . .				
12 Securities - Miscellaneous. . . . .				
13 Qualified conservation contribution - Historic structures. . . . .				
14 Qualified conservation contribution - Other. . . . .				
15 Real estate - Residential. . . . .				
16 Real estate - Commercial. . . . .				
17 Real estate - Other. . . . .				
18 Collectibles. . . . .				
19 Food inventory. . . . .				
20 Drugs and medical supplies. . . . .				
21 Taxidermy. . . . .				
22 Historical artifacts. . . . .				
23 Scientific specimens. . . . .				
24 Archeological artifacts. . . . .				
25 Other ▶ ( )				
26 Other ▶ ( )				
27 Other ▶ ( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . .

29

		Yes	No
30 a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .	30a		X
b If "Yes," describe the arrangement in Part II.			
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? . . . . .	31		X
32 a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .	32a		X
b If "Yes," describe in Part II.			
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2013)

JSA

3E1298 1.000

**Part II** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

---

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

Department of the Treasury  
Internal Revenue Service

Name of the organization

CATO INSTITUTE

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Employer identification number

23-7432162

PROCESS USED TO REVIEW FORM 990

PART VI, SECTION A, QUESTION 11B

A DRAFT 990 IS PROVIDED TO EACH MEMBER FOR REVIEW AND COMMENT PRIOR TO  
FINALIZATION.

MONITORING AND ENFORCEMENT OF COMPLIANCE WITH CONFLICT OF INTEREST POLICY

PART VI, SECTION B, QUESTION 12C

CATO REVIEWS CONFLICT OF INTEREST DISCLOSURES. IF A POTENTIAL CONFLICT  
OF INTEREST ARISES, THE DIRECTOR, OFFICER OR KEY EMPLOYEE WITH THE  
CONFLICT IS REQUIRED TO CORRECT THE SITUATION OR EITHER STEP DOWN FROM  
THE BOARD OR FACE TERMINATION FROM EMPLOYMENT.

PROCESS FOR DETERMINING COMPENSATION

PART VI, SECTION B, QUESTION 15A

INDEPENDENT CONTRACTOR REVIEWS COMPENSATION/BENEFITS. THE BOARD  
DISCUSSES AND APPROVES EXECUTIVE COMPENSATION/BENEFITS BASED ON RESULTS  
OF THE INDEPENDENT STUDY.

MEMBERS, STOCKHOLDERS OR OTHER PERSONS WHO MAY ELECT THE GOVERNING BODY

PART VI, SECTION A, QUESTION 7A

MEMBERS OF THE BOARD VOTE TO APPROVE AND REMOVE MEMBERS.

DECISIONS OF THE GOVERNING BODY SUBJECT TO APPROVAL

PART VI, SECTION A, QUESTION 7B



Name of the organization

CATO INSTITUTE

Employer identification number

23-7432162

MEMBERS ELECT THE BOARD OF DIRECTORS AND MAY REMOVE DIRECTORS WITH A  
MAJORITY VOTE.

HOW THE ORGANIZATION MAKES ORGANIZING DOCUMENTS AVAILABLE TO THE PUBLIC

PART VI, SECTION C, QUESTION 19

CATO'S BYLAWS, ARTICLES OF INCORPORATION, AND CONFLICT OF INTEREST POLICY  
ARE AVAILABLE TO ANYONE WHO REQUESTS THEM. FURTHER, CATO HAS ALWAYS  
COMPLIED, AND WILL CONTINUE TO COMPLY, WITH THE MANDATE THAT FORM 990 BE  
MADE PUBLICLY AVAILABLE.

OTHER CHANGES IN NET ASSETS

PART XI, LINE 9

AN ALLOWANCE TOTALING \$105,000 WAS RECORDED DURING THE YEAR ENDED MARCH  
31, 2014 FOR THE POTENTIAL UNCOLLECTIBILITY OF A PLEDGE RECEIVABLE.

ATTACHMENT 1

FORM 990, PART VI, LINE 17 - STATES

AL, AK, AR, CA, CO, CT,

DC, FL, GA, HI, IL, KS, ME, MD, MA, MI,

MN, MS, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA,

RI, SC, TN, UT, VA, WA, WV, WI,

ATTACHMENT 2

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
NETWORK ALLIANCE, INC. 11130 SUNRISE VALLEY DRIVE RESTON, VA 20191	OUTSOURCED IT	446,471.
RST MARKETING	PRINTING AND MAILING	305,561.

Name of the organization  
CATO INSTITUTE

Employer identification number  
23-7432162

ATTACHMENT 2 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
1272 CORPORATE PARK ROAD FOREST, VA 24551		
LEVEL 3 COMMUNICATIONS, LLC P.O. BOX 910182 DENVER, CO 80291	INTERNET AND HOSTING	264,471.
MARKER PRINTING AND GRAPHICS 38834 WILSON AVENUE SELBYVILLE, DE 19975	PRINTING AND MAILING	196,648.
INTRIDEA 1718 M ST. NW, STE 183 WASHINGTON, DC 20036	WEBSITE DESIGN	175,323.

ATTACHMENT 3

FORM 990, PART VIII - GROSS SALES AND COST OF GOODS SOLD

GROSS SALES LESS RETURNS AND ALLOWANCES .....	339,071.
INVENTORY AT BEGINNING OF YEAR .....	230,809.
PURCHASES .....	173,178.
SALARIES AND WAGES .....	
OTHER COSTS .....	
SUBTOTAL .....	403,987.
MINUS ENDING INVENTORY .....	239,011.
COST OF GOODS SOLD .....	164,976.