

Form **990**

Department of the Treasury  
Internal Revenue Service

**Return of Organization Exempt From Income Tax**

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

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

OMB No. 1545-0047

**2011**

Open to Public Inspection

**A** For the 2011 calendar year, or tax year beginning **07/01/11** and ending **06/30/12**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>National Governors Association Center for Best Practices</b>		<b>D</b> Employer identification number <b>23-7391796</b>
	Doing Business As		<b>E</b> Telephone number <b>202-624-5300</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	<b>444 N. Capitol Street, NW</b>	<b>267</b>	<b>G</b> Gross receipts \$ <b>13,301,125</b>
City or town, state or country, and ZIP + 4 <b>Washington DC 20001</b>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
<b>F</b> Name and address of principal officer: <b>Dan Crippen 444 N. Capitol Street, NW Washington DC 20001</b>		<b>H(c)</b> Group exemption number ▶	
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: ▶ <b>www.nga.org</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1908</b>	<b>M</b> State of legal domicile: <b>DC</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: <b>To provide tailored technical assistance for challenges facing the states, identify and share best practices, and serve as an information clearinghouse on gubernatorial initiatives.</b>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	4	
	4	4	
	5	0	
	6	0	
	7a	0	
7b	0		
<b>Revenue</b>	8	Prior Year	Current Year
	8	12,989,640	10,291,095
	9	672,554	514,390
	10	969,598	642,940
	11	168,497	9,785
	12	14,800,289	11,458,210
<b>Expenses</b>	13	0	0
	14	0	0
	15	7,255,745	6,770,896
	16a	0	0
	b	408,291	
	17	6,655,123	6,375,827
	18	13,910,868	13,146,723
19	889,421	-1,688,513	
<b>Net Assets or Fund Balances</b>	20	Beginning of Current Year	End of Year
	20	22,742,754	20,505,756
	21	419,291	475,494
22	22,323,463	20,030,262	

**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.

<b>Sign Here</b>	Signature of officer <b>Dan Crippen</b>	Date <b>5-15-13</b>			
	Type or print name and title <b>Executive Director</b>				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>Theresa Hutchinson</b>	Preparer's signature	Date <b>05/15/13</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00176056</b>
	Firm's name <b>Coates &amp; Hutchinson, P.C.</b>	Firm's EIN <b>52-1639708</b>	Firm's address <b>P. O. Box 561 Odenton, MD 21113</b>	Phone no. <b>410-672-6339</b>	

**Part III** Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission:

To provide tailored technical assistance for challenges facing the states, identify and share best practices, and serve as an information clearinghouse on gubernatorial initiatives.

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 and section 4947(a)(1) trusts 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 \$ 2,682,793 including grants of \$ ) (Revenue \$ )

Economic, Human Services and Workforce Division is one of five divisions that constitute the NGA Center for Best Practices, which collectively held almost 50 meetings that were attended by thousands of state officials. The NGA Center also published over 20 major reports, hosted just under 50 webinars and webcast and provided thousands of hours of direct technical assistance to state policy makers. Among the NGA Center's notable accomplishments in 2012 was the creation of the State Health Policy Options website. That site is a virtual resource center by NGA that makes it easier for state officials to solve health policy problems that they face.

4b (Code: ) (Expenses \$ 2,692,337 including grants of \$ ) (Revenue \$ )

Education Division  
 During 2012, the Education Division provided information, research, policy analysis, technical assistance, and modest financial support on key issues relevant to governors and their staff in the areas of early childhood, K-12, and postsecondary education. The divisions focused on helping governors develop policy and support its implementation in the areas of:  
 -Early education to 3rd grade access, readiness, talent, and quality;  
 -Teacher/leader effectiveness and distribution;  
 -Common Core State Standards and related assessments  
 -Flexibility and competency-based learning (including redesigning time) and charter schools;

4c (Code: ) (Expenses \$ 1,078,670 including grants of \$ ) (Revenue \$ )

Environment, Energy and Transportation Division  
 During 2012 the Environment, Energy and Transportation (EET) Division provided governors and their staff with analysis and information about best practices, tailored technical assistance, and insights into emerging policy trends across the energy, environment, and transportation sectors. The division helped states promote the efficient use of energy across all sectors; improve the use of traditional and alternative fuels for electricity and transportation; better protect and cleanup the environment; effectively manage their natural resources; and develop a transportation system that safely and efficiently moves people and goods. Focus areas included:

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

(Expenses \$ 3,449,002 including grants of \$ ) (Revenue \$ )

4e Total program service expenses ▶ 9,902,802

**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	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	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		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		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		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		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		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9	Did the organization report an amount in Part X, line 21; 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		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	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		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		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		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		X
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		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	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII		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, XII, and XIII is optional	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		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		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV		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)		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		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		X
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

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

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23	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? If "Yes," complete Schedule J	X	
24a	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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	<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? If "Yes," complete Schedule L, Part I		X
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? If "Yes," complete Schedule L, Part I		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27	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? If "Yes," complete Schedule L, Part III		X
28	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):		
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c	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? If "Yes," complete Schedule L, Part IV		X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37	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? If "Yes," complete Schedule R, Part VI		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V [X]

Table with columns for question number, question text, and Yes/No columns. Includes questions 1a-14b regarding Form 1099, Form W-2G, backup withholding, Form W-3, unrelated business gross income, foreign accounts, prohibited tax shelter transactions, deductible contributions, and Form 990 filings.

**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 to any question in this Part VI.

**Section A. Governing Body and Management**

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 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.		
1a	4		
b	Enter the number of voting members included in line 1a, above, who are independent		
1b	4		
2	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?		X
3	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?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	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?		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	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		X

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
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?		
10b			
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
12c		X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	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?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
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?		
16b			

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **AK, AL, AR, AZ, CA, CT, DC, FL, GA, IL, KS, KY, MA**
- 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
- 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: **National Governors Association 444 N. Capitol Street, NW Suite 267 Washington DC 20001 202-624-5300**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**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 organizations compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule C)	(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) Governor Beverly Perdue Board Member	0.20	X					0	0	0	
(2) Governor Luis G. Fortuno Board Member	0.20	X					0	0	0	
(3) Governor Jack Markell Board Member	0.40	X					0	0	0	
(4) Governor Scott Walker Board Member	0.20	X					0	0	0	
(5) Dan Crippen Exec Director/CEO	40.00			X			145,381	78,688	4,821	
(6) William J. Gainer Dir. of Admin. & Fin	40.00			X			56,275	30,459	95	
(7) Mary Jo Waits Division Director	40.00				X		190,205	0	24,070	
(8) Susan Gander Division Director	40.00					X	147,994	0	15,393	
(9) Kevin Silard Corp Fellows Dir	40.00					X	127,254	0	24,712	
(10) Martin Simon Program Director	40.00					X	125,044	0	24,511	
(11) Travis Reindl Program Director	40.00					X	119,668	0	12,209	
(12) Dane Linn Division Director	40.00					X	196,071	0	36,600	
(13) John Thomasian Director	40.00					X	172,486	0	19,246	
(14) Steve Lieberman Director	40.00					X	168,516	0	2,186	

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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) Laura Shiflett Treasurer	40.00						X	97,462	52,751	19,554
(16) Susan Golonka Program Director	40.00						X	114,348	0	22,226
(17) Raymond C Scheppach Exec Dir/ CEO	40.00						X	63,820	34,543	6,265
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
<b>1b Sub-total</b>								<b>1,724,524</b>	<b>196,441</b>	<b>211,888</b>
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								<b>1,724,524</b>	<b>196,441</b>	<b>211,888</b>

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **10**

	Yes	No
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	3 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? If "Yes," complete Schedule J for such individual	4 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? If "Yes," complete Schedule J for such person	5	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
Collaborative Economics San Mateo CA 94041	520 South El Camino Real Emplmt & Train	444,066
Corporative for a Skilled Workforce Ann Arbor MI 48108	900 Victors Way Suite 350 Emplmt & Train	230,004
Maher & Maher Neptune NJ 07753	3535 Route 66 Bldg 4 Consulting	131,238
Ross & Associates Seattle WA 98101	1218 Third Ave Suite 1207 Consulting	106,597

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **4**

**Part VIII: Statement of Revenue**

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	1a	Federated campaigns				
	1b	Membership dues				
	1c	Fundraising events				
	1d	Related organizations				
	1e	Government grants (contributions)	4,917,063			
	1f	All other contributions, gifts, grants, and similar amounts not included above	5,374,032			
	g	Noncash contributions included in lines 1a-1f	\$			
	h	<b>Total. Add lines 1a-1f</b>	<b>10,291,095</b>			
	<b>Program Service Revenue</b>	2a	Employment/vocational training	400,900	400,900	
b		Registration fees	93,740	93,740		
c		Fees on contracts	18,750	18,750		
d		Honorarium	1,000	1,000		
e						
f		All other program service revenue				
g		<b>Total. Add lines 2a-2f</b>	<b>514,390</b>			
3		Investment income (including dividends, interest, and other similar amounts)	444,543			444,543
4	Income from investment of tax-exempt bond proceeds					
5	Royalties					
<b>Other Revenue</b>	6a	Gross rents				
	b	Less: rental exps.				
	c	Rental inc. or (loss)				
	d	<b>Net rental income or (loss)</b>				
	7a	Gross amount from sales of assets other than inventory	2,041,312			
	b	Less: cost or other basis & sales exps.	1,842,915			
	c	Gain or (loss)	198,397			
	d	<b>Net gain or (loss)</b>	<b>198,397</b>			<b>198,397</b>
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18				
	b	Less: direct expenses				
	c	<b>Net income or (loss) from fundraising events</b>				
	9a	Gross income from gaming activities. See Part IV, line 19				
	b	Less: direct expenses				
	c	<b>Net income or (loss) from gaming activities</b>				
10a	Gross sales of inventory, less returns and allowances					
b	Less: cost of goods sold					
c	<b>Net income or (loss) from sales of inventory</b>					
<b>Miscellaneous Revenue</b>						
11a	Miscellaneous	9,785	9,785			
b						
c						
d	All other revenue					
e	<b>Total. Add lines 11a-11d</b>	<b>9,785</b>				
12	<b>Total revenue. See instructions</b>	<b>11,458,210</b>	<b>524,175</b>	<b>0</b>	<b>642,940</b>	

**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) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question 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 U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,365,456		1,365,456	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	4,124,952	3,699,607	230,957	194,388
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	391,446	264,863	112,666	13,917
9 Other employee benefits	502,977	340,329	144,766	17,882
10 Payroll taxes	386,065	261,222	111,118	13,725
11 Fees for services (non-employees):				
a Management				
b Legal	7,392		7,392	
c Accounting	97,089	30,871	66,218	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	59,188		59,188	
g Other	2,161,176	1,890,484	260,826	9,866
12 Advertising and promotion				
13 Office expenses	252,107	193,040	52,402	6,665
14 Information technology	36,736	8,106	28,182	448
15 Royalties				
16 Occupancy	666,318	440,583	202,217	23,518
17 Travel	1,404,945	1,378,432	18,586	7,927
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	186,526	185,490	194	842
19 Conferences, conventions, and meetings	1,139,131	1,012,476	25,995	100,660
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	196,830	120,448	69,952	6,430
23 Insurance	64,552	42,683	19,591	2,278
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 Recruitment	62,949	9,425	52,706	818
b Equipment	24,652	17,802	6,136	714
c Filing & credit card fees	14,936	5,780	943	8,213
d Miscellaneous	1,300	1,161	139	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	13,146,723	9,902,802	2,835,630	408,291
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 type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash—non-interest bearing		1	
	2 Savings and temporary cash investments	8,659,995	2	6,212,637
	3 Pledges and grants receivable, net	1,911,508	3	1,712,560
	4 Accounts receivable, net	772,285	4	1,031,983
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 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)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	14,622	9	14,579
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b	10c	
	11 Investments—publicly traded securities	11,384,344	11	11,533,997
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	22,742,754	16	20,505,756	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	397,356	17	448,039
	18 Grants payable		18	
	19 Deferred revenue	21,935	19	27,455
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 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		25	
	26 <b>Total liabilities.</b> Add lines 17 through 25	419,291	26	475,494
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	12,962,410	27	12,964,296
	28 Temporarily restricted net assets	9,361,053	28	7,065,966
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 <b>Total net assets or fund balances</b>	22,323,463	33	20,030,262	
34 <b>Total liabilities and net assets/fund balances</b>	22,742,754	34	20,505,756	

**Part XI: Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	11,458,210
2	Total expenses (must equal Part IX, column (A), line 25)	2	13,146,723
3	Revenue less expenses. Subtract line 2 from line 1	3	-1,688,513
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	22,323,463
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-604,688
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	20,030,262

**Part XII: Financial Statements and Reporting**

Check if Schedule O contains a response to any question 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?

b Were the organization's financial statements audited by an independent accountant?

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.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:

Separate basis  Consolidated basis  Both consolidated and separate basis

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
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

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

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2011**

Open to Public Inspection

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

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service

Name of the organization

**National Governors Association  
Center for Best Practices**

Employer identification number  
**23-7391796**

**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—Other
- 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? .....

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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 support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
<b>Total</b>									

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

Schedule A (Form 990 or 990-EZ) 2011

**Part I 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	16,215,335	10,228,790	12,667,529	12,989,640	10,291,095	62,392,389
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	16,215,335	10,228,790	12,667,529	12,989,640	10,291,095	62,392,389
5 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)						3,721,624
6 Public support. Subtract line 5 from line 4						58,670,765

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	16,215,335	10,228,790	12,667,529	12,989,640	10,291,095	62,392,389
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	829,103	649,692	448,085	421,176	444,543	2,792,599
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	176,635	117,989	157,477	172,036	9,785	633,922
11 Total support. Add lines 7 through 10						65,818,910
12 Gross receipts from related activities, etc. (see instructions)					12	3,127,375
13 First five years. 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 stop here ▶						

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

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	89.14%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	80.59%
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶	<input checked="" type="checkbox"/>	
b 33 1/3% support test—2010. 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 stop here. The organization qualifies as a publicly supported organization ▶	<input type="checkbox"/>	
17a 10%-facts-and-circumstances test—2011. 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 stop here. 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 10%-facts-and-circumstances test—2010. 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 stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶	<input type="checkbox"/>	
18 Private foundation. 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 II 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 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						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
6 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
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						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. 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 stop here

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

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

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

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests—2011. 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 stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests—2010. 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 stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV** **Supplemental Information.** Complete this part to 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).

**Part II, Line 10 - Other Income Detail**

\$ 633,922

**Supplemental Information**

**General explanation Part II Line 10 for the five year period, miscellaneous income totals \$21,619 administrative services fees totals \$526,949 and reimbursed program expenses totals \$85,354**

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

### Schedule of Contributors

OMB No. 1545-0047

# 2011

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

Name of the organization <b>National Governors Association Center for Best Practices</b>	Employer identification number <b>23-7391796</b>
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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 foundation

Check 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 ..... ▶ **5** .....

**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 Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization <b>National Governors Association</b>	Employer identification number <b>23-7391796</b>
---	---

**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	Casey Family Programs 1300 Dexter Avenue, Floor Three Seattle WA 98109	\$ 340,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	The William and Flora Hewlett Fdn 2121 Sand Hill Road Menlo Park CA 94025	\$ 400,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	HHS State Alliance Parklawn Bldg Room 5-101 5600 Fishers Lane Rockville MD 20857	\$ 350,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
.....	.....	\$ .....	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
.....	.....	\$ .....	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
.....	.....	\$ .....	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)



**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 XIV.
- 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 XIV 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 XIV.

**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	11,639,841	9,375,140	8,207,666		
b Contributions	1,466	254,805	259,066		
c Net investment earnings, gains, and losses	-46,656	2,065,209	956,815		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	59,188	55,313	48,407		
g End of year balance	11,535,463	11,639,841	9,375,140		

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  100.00 %
  - b Permanent endowment  %
  - 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:
- (I) unrelated organizations
  - (II) related organizations
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment. 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				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)

**Part VIII Investments—Other Securities.** 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)		
(I)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.)		

**Part IX Investments—Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

**Part X Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

**Part XI Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)		

2. FIN 48 (ASC 740) Footnote. In Part XIV, 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).

<b>Part XI: Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements</b>		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	11,458,210
2	Total expenses (Form 990, Part IX, column (A), line 25)	13,146,723
3	Excess or (deficit) for the year. Subtract line 2 from line 1	-1,688,513
4	Net unrealized gains (losses) on investments	-604,688
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV.)	
9	Total adjustments (net). Add lines 4 through 8	-604,688
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	-2,293,201

<b>Part XII: Reconciliation of Revenue per Audited Financial Statements With Revenue per Return</b>		
1	Total revenue, gains, and other support per audited financial statements	10,794,334
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a	Net unrealized gains on investments	-604,688
b	Donated services and use of facilities	
c	Recoveries of prior year grants	
d	Other (Describe in Part XIV.)	
e	Add lines 2a through 2d	-604,688
3	Subtract line 2e from line 1	11,399,022
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	59,188
b	Other (Describe in Part XIV.)	
c	Add lines 4a and 4b	59,188
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	11,458,210

<b>Part XIII: Reconciliation of Expenses per Audited Financial Statements With Expenses per Return</b>		
1	Total expenses and losses per audited financial statements	13,087,535
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:	
a	Donated services and use of facilities	
b	Prior year adjustments	
c	Other losses	
d	Other (Describe in Part XIV.)	
e	Add lines 2a through 2d	
3	Subtract line 2e from line 1	13,087,535
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	59,188
b	Other (Describe in Part XIV.)	
c	Add lines 4a and 4b	59,188
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	13,146,723

**Part XIV: Supplemental Information**

Complete this part to 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, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**Part X - FIN 48 Footnote**

Management evaluated NGAC's tax positions and concluded that NGAC has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the guidance on accounting for uncertainty with income taxes. Generally, NGAC is no longer subject to income examinations by the U.S. Federal, state, or local authorities for years before 2009.

~~Part XIV~~ Supplemental Information (continued)

Part XIV - Supplemental Financial Information

Schedule D Part V Line 4 - The board-designated endowment fund was established to provide supplemental funding for the National Governors Association Center for Best Practices operating activities. The spending policy is 4% annually to the fund's three-year average total market value.

**SCHEDULE J**  
**(Form 990)**

**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.

OMB No 1545-0047

**2011**

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization  
**National Governors Association  
Center for Best Practices**

Employer identification number  
**23-7391796**

**Part I** Questions Regarding Compensation

	Yes	No
<b>1a</b> 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.		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax indemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<b>b</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		
<b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?		
<b>3</b> Indicate which, if any, of the following the filing organization uses 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. Explain in Part III.		
<input checked="" type="checkbox"/> Compensation committee		
<input type="checkbox"/> Independent compensation consultant		
<input type="checkbox"/> Form 990 of other organizations		
<input checked="" type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> Approval by the board or compensation committee		
<b>4</b> 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:		
<b>a</b> Receive a severance payment or change-of-control payment?		X
<b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan?		X
<b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement?		X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
<b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</b>		
<b>5</b> 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:		
<b>a</b> The organization?		X
<b>b</b> Any related organization?		X
If "Yes" to line 5a or 5b, describe in Part III.		
<b>6</b> 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:		
<b>a</b> The organization?		X
<b>b</b> Any related organization?		X
If "Yes" to line 6a or 6b, describe in Part III.		
<b>7</b> 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		X
<b>8</b> 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		X
<b>9</b> If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

**Part I 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	(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	(iv) 1099-MISC compensation				
1	Dan Crippen	(i) 145,381 (ii) 78,688	0	0	1,834	5,158	152,373	0	
2	Mary Jo Waits	(i) 190,205 (ii) 147,994	0	0	18,874	6,623	215,702	0	
3	Susan Gander	(i) 127,254 (ii) 196,071	0	0	13,300	1,302	164,635	0	
4	Kevin Sillard	(i) 172,486 (ii) 168,516	0	0	14,881	12,521	153,075	0	
5	Dane Linn	(i) 97,462 (ii) 52,751	0	0	20,028	18,043	234,142	0	
6	John Thomasian	(i) 114,348 (ii) 63,820	0	0	1,402	5,468	192,835	0	
7	Steve Lieberman	(i) 34,543 (ii) 11,528	0	0	9,666	1,892	171,810	0	
8	Laura Shiflett	(i) 52,751 (ii) 114,348	0	0	5,232	10,652	117,780	0	
9	Susan Golonka	(i) 114,348 (ii) 63,820	0	0	11,528	5,765	63,748	0	
10	Raymond C Scheppach	(i) 63,820 (ii) 34,543	0	0	4,277	2,577	70,674	0	
11					2,315	1,395	38,253	0	
12									
13									
14									
15									
16									

National Governors Association 23-7391796

Schedule J (Form 990) 2011

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.

Part III - Other Additional Information

Schedule J Part II - The organization engages in a common paymaster relationship defined in regulations section 31.3121(s)-1(b). National Governors Association, a related organization, is the common paymaster. Compensation is allocated to each organization based on actual hours tracked contemporaneously on bi-weekly timesheets.

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

Department of the Treasury  
Internal Revenue Service

Name of the organization

**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

**2011**

Open to Public  
Inspector

**National Governors Association  
Center for Best Practices**

Employer identification number  
**23-7391796**

Form 990, Part III, Line 4a - First Accomplishment

Economics, Human Services, and Workforce Division

During 2012, the Economic, Human Services and Workforce Division provided information, research, policy analysis, technical assistance, and resource development on key issues relevant to governors and their staff across a range of current and emerging issues, including economic development and innovation, workforce development, employment services, research and development policies, and human services for children, youth, low-income families, and people with disabilities. Focus areas included:

Economic Development

- Innovation and Economic Growth,
- Clean Energy and Economic Development,
- Entrepreneurship and New Businesses Development,
- Arts and the Economy,
- Higher Education's Contribution to Economic Growth Strategies, and
- Growth Opportunities in Manufacturing Human Services

Human Services

- Safe Reduction of Children in Foster Care,
- Youth in Transition,
- Fostering Connections Act,
- Temporary Assistance for Needy Families (TANF),
- Reducing Poverty and Improving Family Economic Opportunity, and
- Improving the Human Services Delivery System

Workforce Development

Name of the organization

National Governors Association

Employer identification number

23-7391796

- Improving the Workforce System,
- State Sector Strategies,
- Postsecondary Credential Attainment by Adult Workers,
- Career Pathways,
- Veterans Employment, and
- Federal projects in training for high-growth industries & apprenticeship

Form 990, Part III, Line 4b - Second Accomplishment

- Postsecondary (higher education and workforce training) productivity, accountability, access, success, and affordability; and,
- Finance, data, and accountability (including efficiency, effectiveness, and underfunded liabilities).

The division also worked on policy issues related to bridging the system divides among the early childhood, K-12, postsecondary, and workforce systems.

Form 990, Part III, Line 4c - Third Accomplishment

Energy

- Energy economic and development,
- Energy use in state buildings and fleets,
- Shale gas and its impacts on energy markets and the environment,
- Expansion and modernization of the electric transmission grid,
- Financing mechanisms for clean energy, and
- Industrial energy efficiency and co-generation

Name of the organization

National Governors Association

Employer identification number

23-7391796

## Environment

- Cleanup and management of radioactive waste through the Federal Facilities Task Force, and
- Implementation of federal power plant regulations

## Transportation

- Innovative funding and financing methods for transportation and other infrastructure,
- Alternative fuel vehicles and infrastructure, and
- Transportation and land use planning

## Form 990, Part III, Line 4d - All Other Accomplishment

## Health Division

During 2012 the Health Division provided information, customized technical assistance, policy analysis, best practices, and periodic national meetings facilitating peer exchange for governors and their staff. The Health Division covered issues in the areas of health care service delivery and reform, including payment reform, health workforce planning, quality improvement and public health and behavioral health integration with the medical delivery system. Focus areas included:

- Cost Containment: Medicaid and State Employee Health Benefits,
- Integrating Public Health with the Delivery System,
- Maternal/Child Health: Reducing Pre-Term Births in Medicaid,
- Prescription Drug Abuse Prevention,
- Health Workforce Planning, and
- Health Insurance Exchange Planning

Name of the organization

National Governors Association

Employer identification number

23-7391796

## Homeland Security and Public Safety Division

During 2012 the Homeland Security and Public Safety (HSPS) Division provides governors and their staff with analysis and information about best practices, tailored technical assistance, and insights into emerging policy trends across homeland security and public safety. The division provided detailed analysis and technical assistance to governors on all matters related to homeland security, emergency management, public safety, and criminal justice. Focus areas included:

## Homeland Security

- Governors' Homeland Security Advisors Council (GHSAC),
- Cyber security,
- Mass Evacuation,
- Emergency Preparedness,
- Energy Assurance, and
- Public Health Preparedness

## Public Safety

- Governors' Criminal Justice Policy Advisors (CJPA) Network,
- Prescription Drug Abuse,
- Public Safety Broadband Network,
- Justice Information Sharing,
- Sentencing and Corrections Reform, and
- Cybercrime & Emerging Forensic Technologies

## Other program services:

Workforce development technical assistance program

Form 990, Part V - Additional Information

Name of the organization

National Governors Association

Employer identification number

23-7391796

Line 1a All vendors are paid by National Governors Association (NGA), a related organization. Therefore, National Governors Association Center for Best Practices did not file a form 1096 for 2011. Form 1096 was filed by NGA covering all vendors engaged by NGA and NGA Center for Best Practices.

Line 2a - National Governors Association Center for Best Practices leases all its employees from National Governors Association, a related organization. Compensation is allocated to each organization based on actual hours recorded contemporaneously on bi-weekly timesheets. All employees are included on Form W-3 "Transmittal of Wage and Tax Statements" filed by National Governors Association.

Form 990, Part VI, Line 6  Classes of Members or Stockholders

The governors of the fifty states and five U.S. territories are members of the organization.

Form 990, Part VI, Line 7b - Decisions Subject to Approval of Members  
An Amendment of the Articles of Incorporation requires approval by the members.

Form 990, Part VI, Line 11b - Organization's Process to Review Form 990

The IRS Form 990 is prepared by the Assistant Controller, reviewed by the Controller and reviewed and signed by the Executive Director. The IRS Form 990 is then available on the organizations website, on the Guidestar website and upon request. This process has been approved by the organization's Finance Staff which was appointed by the Board of Directors.

Name of the organization

National Governors Association

Employer identification number

23-7391796

## Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy

Employees must provide written notification to the executive director of a conflict of interest or potential conflict interest as soon as it occurs. In addition, the organization requires employees to certify that they have reviewed the conflict of interest policy on an annual basis. Officers and key employees (as defined by the IRS) must annually disclose their interests that could give rise to conflicts of interest, such as a list of family members, substantial business or investment holdings, and other transactions or affiliations with businesses and other organizations or those of family members. Officers and employees found to be in violation of conflict of interest policy are subject to disciplinary action or termination. For directors of the corporation, the organization relies on each governor's compliance with state ethics laws to avoid conflicts of interest and make any required disclosures. Any member of the organization may raise a possible conflict of interest with another member and act in accordance with the articles and bylaws of the organization to take action.

## Form 990, Part VI, Line 15a - Compensation Process for Top Official

The Executive Director receives a performance evaluation annually for consideration of merit pay increase effective on January 1 of each calendar year. Performance is evaluated by the current National Governors Association (NGA) Chair, current NGA Vice Chair and the immediate past NGA Chair collectively. In preparation for the performance evaluation, the Executive Director provides a self-evaluation to the current NGA Chair and an external market benchmarking analysis that shows salaries for comparable positions for the other Big 7 public interest groups as well as for other not-for-profit executives taken from several salary surveys. The current

Name of the organization

National Governors Association

Employer identification number

23-7391796

NGA Chair is responsible for convening the performance discussion, writing the performance evaluation and communicating the performance feedback to the Executive Director. At the conclusion of this evaluation process, the current NGA Chair writes a memo to the NGA Chief Financial and Administrative Officer outlining the specifics of the merit pay increase and authorizing the action for purposes of payroll processing.

Form 990, Part VI, Line 17 - Other States Where Copy of Return is Filed

Maryland, Maine, Michigan, Minnesota, Mississippi, North Carolina, North Dakota, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Washington, Virginia, Wisconsin

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation

The organization's governing documents and financial statements are available to the public on the organization's website. The conflict of interest policy is described in the IRS Form 990 which is available to the public on the organization's website and on the Guidstar website.

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2011**

**Open to Public Inspection**

Name of the organization

National Governors Association  
Center for Best Practices

Employer identification number

23-7391796

**Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Name, address, and EIN of disregarded entity	Primary activity	Legal domicile (state or foreign country)	Exempt Code section	Public charity status (if section 501(c)(3))	Direct controlling entity	End-of-year assets	Total income	End-of-year assets	Direct controlling entity
(1) .....									
(2) .....									
(3) .....									
(4) .....									
(5) .....									

**Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
							Section 512(b)(13) controlled entity?	Yes No	
Name, address, and EIN of related organization	Primary activity	Legal domicile (state or foreign country)	Exempt Code section	Public charity status (if section 501(c)(3))	Direct controlling entity	End-of-year assets	Total income	End-of-year assets	Direct controlling entity
(1) National Governors Association 444 N Capitol Street, St#267 Washington DC 20001	Non Profit	DC			N/A				
(2) .....									
(3) .....									
(4) .....									
(5) .....									

Part II Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(1)	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate alloc.?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
								Yes	No		Yes	No	
(1)	.....												
(2)	.....												
(3)	.....												
(4)	.....												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(1)	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(2)	.....							
(3)	.....							
(4)	.....							

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes		No	
		1a	1b	1c	1d
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?				
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X		
b	Gift, grant, or capital contribution to related organization(s)		X		
c	Gift, grant, or capital contribution from related organization(s)		X		
d	Loans or loan guarantees to or for related organization(s)		X		
e	Loans or loan guarantees by related organization(s)		X		
f	Sale of assets to related organization(s)				X
g	Purchase of assets from related organization(s)				X
h	Exchange of assets with related organization(s)				X
i	Lease of facilities, equipment, or other assets to related organization(s)				X
j	Lease of facilities, equipment, or other assets from related organization(s)				X
k	Performance of services or membership or fundraising solicitations for related organization(s)				X
l	Performance of services or membership or fundraising solicitations by related organization(s)				X
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)				X
n	Sharing of paid employees with related organization(s)				X
o	Reimbursement paid to related organization(s) for expenses				X
p	Reimbursement paid by related organization(s) for expenses				X
q	Other transfer of cash or property to related organization(s)				X
r	Other transfer of cash or property from related organization(s)				X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	National Governors Association	l	1,099,113	Indirect cost rate
(2)	National Governors Association	m	908,353	Indirect cost rate
(3)	National Governors Association	n	549,828	Indirect cost rate
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)		(12)
									Share of total income	Share of end-of-year assets	Disproportionate allocations?	Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	
(a) Name, address, and EIN of entity		(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f)	(g)	(h)	(i)	(j)	(k)	
(1)					Yes	No			Yes	No			
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													



### Federal Statements

#### Taxable Interest on Investments

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>Acquired after 6/30/75</u>	<u>US Obs (\$ or %)</u>
	\$ 444,543			14		
Total	<u>\$ 444,543</u>					

**Federal Statements**

**Schedule A, Part II, Line 5 - Excess Gifts**

<u>Donor Name</u>	<u>Total</u>	<u>Excess</u>
Casey Family Programs	\$ 1,564,727	\$ 248,349
Bill and Melinda Gates Foundation	4,526,645	3,210,267
Lumina Foundation	1,355,591	39,213
Mott Foundation	1,540,173	223,795
Total	<u>\$ 8,987,136</u>	<u>\$ 3,721,624</u>