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Return of Organization Exempt From Income Tax
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)
 For organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at the end of the year
 The organization may have to use a copy of this return to satisfy estate reporting requirements

Department of the Treasury
Internal Revenue Service

A For the 2001 calendar year, or tax year beginning and ending

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
 C 33980 *****AUTO**5-DIGIT 53703
 CENTER FOR MEDIA AND DEMOCRACY INC P 45
 Z DAVID MERRITT B 17
 52 UNIVERSITY AVE STE 310
 MADISON WI 53703-4916

D Employer identification number
39-1777402

E Telephone number
608-233-3346

F Enter 4-digit (GEN)
03703

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Accounting method Cash Accrual
Other (specify)

I Web site www.p5watch.org

J Organization type (check only one) - 501(c) () (insert no) 4947(a)(1) or 527

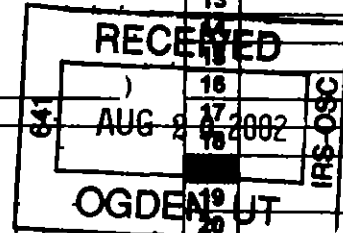
H Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

K Check if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Add lines 5b, 6b and 7b, to line 9 to determine gross receipts. If \$100,000 or more, file Form 990 instead of Form 990-EZ. \$ 224,846

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 35)

1	Contributions, gifts, grants, and similar amounts received	1	183,708
2	Program service revenue including government fees and contracts	2	15,614
3	Membership dues and assessments	3	23,624
4	Investment income	4	1,902
5a	Gross amount from sale of assets other than inventory	5a	0
5b	Less cost or other basis and sales expenses	5b	0
5c	Gain or (loss) from sale of assets other than inventory (line 5a less line 5b) (attach schedule)	5c	0
6	Special events and activities (attach schedule)		
6a	Gross revenue (not including \$ 0 of contributions reported on line 1)	6a	0
6b	Less direct expenses other than fundraising expenses	6b	0
6c	Net income or (loss) from special events and activities (line 6a less line 6b)	6c	0
7a	Gross sales of inventory, less returns and allowances	7a	0
7b	Less cost of goods sold	7b	0
7c	Gross profit or (loss) from sales of inventory (line 7a less line 7b)	7c	0
8	Other revenue (describe)	8	0
9	Total revenue (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8)	9	224,846
10	Grants and similar amounts paid (attach schedule)	10	0
11	Benefits paid to or for members	11	0
12	Salaries, other compensation, and employee benefits	12	129,079
13	Professional fees and other payments to independent contractors	13	1,787
14	Occupancy, rent, utilities, and maintenance	14	6,774
15	Printing, publications, postage, and shipping	15	7,008
16	Other expenses (describe travel, computer exp, equipment,)	16	36,104
17	Total expenses (add lines 10 through 16)	17	180,752
18	Excess or (deficit) for the year (line 9 less line 17)	18	44,094
19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	48,994
20	Other changes in net assets or fund balances (attach explanation)	20	
21	Net assets or fund balances at end of year (combine lines 18 through 20)	21	93,088



Part II Balance Sheets - If Total assets on line 25, column (B) are \$250,000 or more, file Form 990 instead of Form 990-EZ. (See Specific Instructions on page 39)

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	48,994	22 93,088
23 Land and buildings	0	23 0
24 Other assets (describe)	0	24 0
25 Total assets	48,994	25 93,088
26 Total liabilities (describe)	0	26 0
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	48,994	27 93,088

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 40)		Expenses
What is the organization's primary exempt purpose? <u>Education</u>		(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, optional for others)
Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title		
28	<u>To educate the public on the impact of the public relations industry on the political process, through books, (Grants \$)</u>	28a \$ <u>180,752.</u>
29	<u>ARTICLES, SPEECHES, NEWSLETTER</u>	29a
30	(Grants \$)	30a
31	Other program services (attach schedule) (Grants \$)	31a
32	Total program service expenses (add lines 28a through 31a)	32

Part IV List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated See Specific Instructions on page 40)				
(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
<i>See attached list</i>				

Part V Other Information (Note the attachment requirement in General Instruction V, page 14)		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		<input checked="" type="checkbox"/>
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		<input checked="" type="checkbox"/>
35	If the organization had income from business activities, such as those reported on lines 2, 6, and 7 (among others), but NOT reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T		
a	Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements?		<input checked="" type="checkbox"/>
b	If "Yes," has it filed a tax return on Form 990-T for this year?		<input checked="" type="checkbox"/>
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? (If "Yes," attach a statement)		<input checked="" type="checkbox"/>
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions ▶ 37a		<input checked="" type="checkbox"/>
b	Did the organization file Form 1120-POL for this year?		<input checked="" type="checkbox"/>
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee OR were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		<input checked="" type="checkbox"/>
b	If "Yes," attach the schedule specified in the line 38 instructions and enter the amount involved 38b		
39	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 9 39a <u>N/A</u>		
b	Gross receipts, included on line 9, for public use of club facilities 39b <u>N/A</u>		
40a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ▶ <u>NONE</u> , section 4912 ▶ <u>NONE</u> , section 4955 ▶ <u>NONE</u>		
b	501(c)(3) and (4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach an explanation		<input checked="" type="checkbox"/>
c	Amount of tax imposed on organization managers or disqualified persons during the year under 4912, 4955, and 4958 ▶		
d	Enter Amount of tax on line 40c, above, reimbursed by the organization ▶		
41	List the states with which a copy of this return is filed ▶ <u>WISCONSIN</u>		
42	The books are in care of ▶ <u>John Stauber, Exec. Dir.</u> Telephone no ▶ <u>608-238-7876</u> Located at ▶ <u>3318 Gregory St, Mad. WI 53711</u> ZIP + 4 ▶ <u>53711-1725</u>		
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here <input checked="" type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ <u>1828</u>		

Under penalties of perjury I declare that I have examined this return including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here: John Stauber Signature of officer Date AUG 15, 2002
Type or print name and title John Stauber, Exec. Director

Paid Preparer's Use Only: Preparer's signature Margaret Van Styn Date 8/15/02 Check if self-employed Preparer's SSN or PTIN (See Gen. Inst. V) 270-54-8581
Firm's name (or yours if self employed), address, and ZIP + 4 _____ EIN _____ Phone no _____

EIN - 39-1777402

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

OMB No 1545-0047

2001

Department of the Treasury
Internal Revenue Service

Supplementary Information—(See separate instructions.)

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

Name of the organization

Employer identification number

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<i>not applicable</i>				
Total number of other employees paid over \$50,000 ▶				

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<i>None</i>		
Total number of others receiving over \$50,000 for professional services ▶		

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)		X
4 Do you have a section 403(b) annuity plan for your employees?	X	
Note. Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments		

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

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

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

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

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

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) **Use cash method of accounting**

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	62965	134945	88943	123260	410113
16 Membership fees received	5719	9619	9686	6705	31729
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	24929	25659	20190	18829	89607
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	754	4214	1169	1192	7329
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	94367	174437	119988	149986	538778
24 Line 23 minus line 17	69438	148778	99798	131157	449171
25 Enter 1% of line 23	944	1744	1120	1500	

26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24	▶	26a	8983
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts		▶	26b	0
c Total support for section 509(a)(1) test Enter line 24, column (e)		▶	26c	449171
d Add Amounts from column (e) for lines	18 7329	19 —	26d	7329
	22 —	26b —	26e	441842
e Public support (line 26c minus line 26d total)		▶	26f	98.3 %
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		▶		

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return Enter the sum of such amounts for each year

(2000) n/a (1999) (1998) (1997)

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year

(2000) (1999) (1998) (1997)

c Add Amounts from column (e) for lines	15	16	▶	27c
	17	20	21	27d
d Add Line 27a total		and line 27b total		27e
e Public support (line 27c total minus line 27d total)				27f
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)			▶	27g
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))			▶	27h
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))			▶	

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15

Part V Private School Questionnaire (See page 7 of the instructions)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)		
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check a if the organization belongs to an affiliated group Check b if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)		
38 Total lobbying expenditures (add lines 36 and 37)		
39 Other exempt purpose expenditures		
40 Total exempt purpose expenditures (add lines 38 and 39)		
41 Lobbying nontaxable amount Enter the amount from the following table—		
If the amount on line 40 is—		
The lobbying nontaxable amount is—		
Not over \$500,000	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
42 Grassroots nontaxable amount (enter 25% of line 41)		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38		

Caution If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h)

Yes	No	Amount

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

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

2001

Name of organization

Center for Media + Democracy Inc.

Employer identification number

39-1777402

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 box(es) for both the General rule and a Special rule—see instructions)

General Rule—

For organizations 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 Form 990-EZ, that met the 33⅓% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests 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 Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate 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. Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization

Center for Media & Democracy Inc

Employer identification number

39 1777 402

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>		\$ <u>5,000⁰⁰</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>2</u>		\$ <u>5,000⁰⁰</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>3</u>		\$ <u>5,000⁰⁰</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>4</u>		\$ <u>40,000⁰⁰</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>5</u>		\$ <u>25,000⁰⁰</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>6</u>		\$ <u>15,000⁰⁰</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Center for Media & Democracy Inc

Employer identification number

39 1777 402

Part I Contributors (See Specific Instructions)

(a) No.	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7		\$ <i>25,000.00</i>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
8		\$ <i>10,000.00</i>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
9		\$ <i>25,000.00</i>	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)

Center for Media & Democracy

520 University Ave #310, Madison, WI 53703
608-260-9713

*** Board of Directors**

David Merritt, President and Treasurer
446 Sidney St., Madison, WI, 53703

Debra Schwarze, Vice President and Secretary
PO Box 671
Richland Center, WI, 53581

Scott Robbe
157 North Village Road
Wells, ME 04090

Linda Jameson
162 Proudfit St.
Madison, WI, 53715

Joseph Mendelson, III
1724 Lamont St. NW
Washington, DC, 20010

* Board members are volunteers, no compensation is paid.

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)
Note: Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only
 All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization <i>Center for Media + Democracy</i>	Employer identification number <i>39-1777402</i>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions <i>520 University Avenue Suite 310</i>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <i>Madison, Wisconsin 53703</i>	

- Check type of return to be filed (file a separate application for each return)**
- | | | |
|----------------------------------------------|-------------------------------------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the **whole group**, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until *August 15, 2002* to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year 2001 or
 ▶ tax year beginning _____, 20__, and ending _____, 20__.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ _____

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ *Margaret Van Styn* Title ▶ *Bookkeeper* Date ▶ *5/15/02*
MARGARET VAN STYN

*Mailed 5/15/02
 downtown. Po.*

CENTER FOR MEDIA AND DEMOCRACY, INC.

FINANCIAL STATEMENT

December 31, 2001

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center for Media and Democracy, Inc
Madison, Wisconsin

We have audited the accompanying statement of cash receipts and disbursements of Center for Media and Democracy, Inc for the year ended December 31, 2001. This financial statement is the responsibility of the Center's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements is free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the statement of cash receipts and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of Center for Media and Democracy, Inc for the year ended December 31, 2001, on the basis of accounting described in Note 1.

Wegner LLP

Wegner LLP
June 17, 2002

CENTER FOR MEDIA AND DEMOCRACY, INC
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
Year ended December 31, 2001

CASH RECEIPTS

Contributions	\$ 183,706
Book sales	12,830
Membership dues	10,795
Speaker fees and articles	2,880
Other	14,635
	<hr/>
Total cash receipts	224,846

CASH DISBURSEMENTS

Personnel	129,079
Professional fees	1,876
Printing and reproduction	5,311
Research and reference	1,797
Postage and delivery	2,678
Office supplies	2,226
Office rent	4,070
Telephone	6,774
Insurance	1,459
Equipment	3,685
Travel	14,035
Other	7,762
	<hr/>
Total cash disbursements	180,752

Increase in cash	44,094
Cash - beginning of year	48,994
	<hr/>
Cash - end of year	\$ 93,088
	<hr/> <hr/>

See accompanying notes

CENTER FOR MEDIA AND DEMOCRACY, INC
NOTES TO FINANCIAL STATEMENT
December 31, 2001

The Center for Media and Democracy, Inc (Center), located in Madison, Wisconsin, is a nonprofit corporation organized to provide public awareness and education, throughout the United States, on the impact of the public relations industry on social, economic and political issues and institutions through research, books, public speeches and newsletters. The significant accounting policies followed are described below to enhance the usefulness of the financial statement to the reader.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than U S generally accepted accounting principles. The statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, long-lived assets, accrued income and expenses and amortization and depreciation, which would be recognized under U S generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statement.

Income Taxes

The Center is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - DESCRIPTION OF LEASING ARRANGEMENTS

The Center leases office space in Madison under an operating lease agreement that expires on April 30, 2003. The lease requires monthly payments of \$310, with an increase to \$320 beginning July 1, 2002. Rent expense for 2001 was \$4,070. The future minimum lease payments for 2002 and 2003 are \$3,780 and \$1,280.