

Return of Organization Exempt From Income Tax

2007

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

A For the 2007 calendar year, or tax year beginning and ending

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

C Name of organization
 Please use IRS label or print or type See Specific Instructions
FreedomWorks, Inc.
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
601 Pennsylvania Avenue, NW, N. Building 700
 City or town, state or country, and ZIP + 4
Washington, DC 20004

D Employer identification number
52-1349353

E Telephone number
202-783-3870

F Accounting method Cash Accrual
 Other (specify) **▶**

G Website: **▶ www.freedomworks.org**

J Organization type (check only one) 501(c) (**4**) (insert no) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

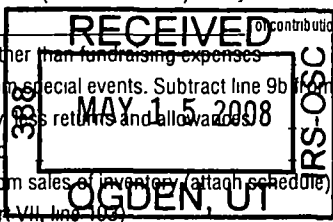
L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **▶ 2,235,030.**

H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates **▶ N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number **▶ N/A**
M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

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

1	Contributions, gifts, grants, and similar amounts received:				
	a	Contributions to donor advised funds	1a		
	b	Direct public support (not included on line 1a)	1b	2,033,092.	
	c	Indirect public support (not included on line 1a)	1c		
	d	Government contributions (grants) (not included on line 1a)	1d		
	e	Total (add lines 1a through 1d) (cash \$ <u>2,033,092.</u> noncash \$ _____)	1e		2,033,092.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		36,870.
	5	Dividends and interest from securities	5		
	6	a Gross rents See Statement 1	6a	77,534.	
		b Less: rental expenses	6b		
	c Net rental income or (loss). Subtract line 6b from line 6a	6c		77,534.	
7	Other investment income (describe ▶)	7			
8	a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	b Less: cost or other basis and sales expenses	8a			
	c Gain or (loss) (attach schedule)	8b			
	d Net gain or (loss). Combine line 8c, columns (A) and (B)	8c			
8d		8d			
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
10	a Gross sales of inventory less returns and allowances	10a			
b	Less: cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10c			
11	Other revenue (from Part VII, line 10c)	11		87,534.	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		2,235,030.	
Expenses	13	Program services (from line 44, column (B))	13	1,090,035.	
	14	Management and general (from line 44, column (C))	14	595,078.	
	15	Fundraising (from line 44, column (D))	15	385,011.	
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses. Add lines 16 and 44, column (A)	17		2,070,124.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	164,906.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	1,251,795.	
	20	Other changes in net assets or fund balances (attach explanation) See Statement 2	20		<56,686.>
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		1,360,015.

SCANNED JUN 16 2008



Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> • noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ <u>0</u> • noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	366,545.	174,621.	89,040.	102,884.
25b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
25c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	551,147.	349,341.	146,978.	54,828.
27 Pension plan contributions not included on lines 25a, b, and c	10,872.	7,349.	3,523.	
28 Employee benefits not included on lines 25a - 27	51,622.	32,503.	16,573.	2,546.
29 Payroll taxes	51,727.	28,501.	16,781.	6,445.
30 Professional fundraising fees				
31 Accounting fees	60,182.	1,155.	59,027.	
32 Legal fees	58,301.	40.	58,261.	
33 Supplies	8,222.	1,580.	6,616.	26.
34 Telephone	53,392.	36,016.	12,425.	4,951.
35 Postage and shipping	10,344.	1,535.	2,570.	6,239.
36 Occupancy	328,672.	182,416.	94,200.	52,056.
37 Equipment rental and maintenance	24,493.	13,591.	7,022.	3,880.
38 Printing and publications	58,722.	33,181.	164.	25,377.
39 Travel	82,626.	52,178.	2,137.	28,311.
40 Conferences, conventions, and meetings	3,109.	2,282.	3.	824.
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	21,661.	12,022.	6,209.	3,430.
43 Other expenses not covered above (itemize):				
a _____				
b _____				
c _____				
d _____				
e _____				
f _____				
g See Statement 3	328,487.	161,724.	73,549.	93,214.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,070,124.	1,090,035.	595,078.	385,011.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A; (ii) the amount allocated to Program services \$ N/A; (iii) the amount allocated to Management and general \$ N/A; and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ See Statement 4	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a Federal and State Campaigns: Advocacy, research and education on reforming Federal and state policies in areas such as taxation, social security, spending policy, litigation reform, school choice, and other mission related issues.	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	629,088.
b Public Affairs: Research and education on how reducing Federal regulations will improve the economy by disseminating information through print, broadcast media, and on-line education.	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	219,631.
c Other Core Programs: Various programs aimed at promoting consumer-focused economic policies through education and research in both domestic and international economic markets.	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	241,316.
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	1,090,035.

Form 990 (2007)

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45	Cash - non-interest-bearing	288,747.	45	192,961.
	46	Savings and temporary cash investments		46	
	47 a	Accounts receivable	15,284.		
	b	Less: allowance for doubtful accounts		47c	15,284.
	48 a	Pledges receivable		48c	
	b	Less: allowance for doubtful accounts		48b	
	49	Grants receivable		49	
	50 a	Receivables from current and former officers, directors, trustees, and key employees		50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a	Other notes and loans receivable		51c	
	b	Less: allowance for doubtful accounts		51b	
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	273,140.	53	278,954.
	54 a	Investments - publicly-traded securities Stmt 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	139,434.	54a	939,318.
	b	Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55 a	Investments - land, buildings, and equipment basis		55a		
b	Less: accumulated depreciation		55b	55c	
56	Investments - other		56		
57 a	Land, buildings, and equipment, basis	656,696.	57a		
b	Less: accumulated depreciation Stmt 5	559,527.	57b	57c	
58	Other assets, including program-related investments (describe Due from related parties)	909,610.	58	183,330.	
59	Total assets (must equal line 74) Add lines 45 through 58	2,119,064.	59	1,707,016.	
Liabilities	60	Accounts payable and accrued expenses	691,437.	60	191,176.
	61	Grants payable		61	
	62	Deferred revenue		62	
	63	Loans from officers, directors, trustees, and key employees		63	
	64 a	Tax-exempt bond liabilities		64a	
	b	Mortgages and other notes payable		64b	
	65	Other liabilities (describe Deferred rent)	175,832.	65	155,825.
66	Total liabilities. Add lines 60 through 65	867,269.	66	347,001.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted	1,183,457.	67	1,348,128.
	68	Temporarily restricted	68,338.	68	11,887.
	69	Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds		72	
	73	Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	1,251,795.	73	1,360,015.
	74	Total liabilities and net assets/fund balances. Add lines 66 and 73	2,119,064.	74	1,707,016.

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions)

a	Total revenue, gains, and other support per audited financial statements		a	2,178,344.
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify): <u>Net unrealized investment losses</u>	b4	<56,686.>	
	Add lines b1 through b4		b	<56,686.>
c	Subtract line b from line a		c	2,235,030.
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify): _____	d2		
	Add lines d1 and d2		d	0.
e	Total revenue (Part I, line 12) Add lines c and d		e	2,235,030.

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

a	Total expenses and losses per audited financial statements		a	2,070,124.
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify): _____	b4		
	Add lines b1 through b4		b	0.
c	Subtract line b from line a		c	2,070,124.
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify): _____	d2		
	Add lines d1 and d2		d	0.
e	Total expenses (Part I, line 17) Add lines c and d		e	2,070,124.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions)

(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 plans	(E) Expense account and other allowances
<u>Matt Kibbe</u> <u>601 Pennsylvania Ave, NW #700 North</u> <u>Washington, DC 20004</u>	President 18.00	135,815.	9,390.	2,291.
<u>Judy Mulcahy</u> <u>601 Pennsylvania Ave, NW #700 North</u> <u>Washington, DC 20004</u>	Vice President/Treasurer 18.00	66,910.	7,380.	0.
<u>Jaci Brown</u> <u>601 Pennsylvania Ave, NW #700 North</u> <u>Washington, DC 20004</u>	Vice President/Secretary 18.00	58,051.	6,708.	0.
<u>Honorable Richard K. Armey</u> <u>601 Pennsylvania Ave, NW #700 North</u> <u>Washington, DC 20004</u>	Board Member 4.00	80,000.	0.	0.
<u>Honorable James H. Burnley, IV</u> <u>601 Pennsylvania Ave, NW #700 North</u> <u>Washington, DC 20004</u>	Board Member 1.00	0.	0.	0.
<u>Thomas Knudsen</u> <u>601 Pennsylvania Ave, NW #700 North</u> <u>Washington, DC 20004</u>	Board Member 1.00	0.	0.	0.
<u>Richard J. Stephensen</u> <u>601 Pennsylvania Ave, NW #700 North</u> <u>Washington, DC 20004</u>	Board Member 1.00	0.	0.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued) **Yes** **No**

<p>75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ <u>7</u></p>			
<p>b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)</p>	75b	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization" If "Yes," attach a statement that includes the information described in the instructions</p>	75c	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>d Does the organization have a written conflict of interest policy?</p>	75d	<input checked="" type="checkbox"/>	<input type="checkbox"/>

See Statement 8

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
None				

Part VI Other Information (See the instructions.) **Yes** **No**

<p>76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change</p>	76		<input checked="" type="checkbox"/>
<p>77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.</p>	77	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?</p>	78a	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>b If "Yes," has it filed a tax return on Form 990-T for this year? N/A</p>	78b	<input type="checkbox"/>	<input type="checkbox"/>
<p>79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement</p>	79	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?</p>	80a	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>b If "Yes," enter the name of the organization▶ <u>See Statement 7</u></p>			
<p>_____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt</p>			
<p>81 a Enter direct and indirect political expenditures. (See line 81 instructions)</p>	81a	<u>0.</u>	<input type="checkbox"/>
<p>b Did the organization file Form 1120-POL for this year?</p>	81b	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part VI Other Information (continued)	Yes	No
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82a	X
82b	N/A	
83 a Did the organization comply with the public inspection requirements for returns and exemption applications? b Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83a	X
83b	N/A	
84 a Did the organization solicit any contributions or gifts that were not tax deductible? b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84a	X
84b	X	
85 a 501(c)(4), (5), or (6) Were substantially all dues nondeductible by members? b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85a	X
85b		X
85c	N/A	
85d	N/A	
85e	N/A	
85f	N/A	
85g	N/A	
85h	N/A	
86 501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12 b Gross receipts, included on line 12, for public use of club facilities	86a	N/A
86b	N/A	
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87a	N/A
87b	N/A	
88 a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88a	X
88b	X	
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 <u>N/A</u> ; section 4912 <u>N/A</u> ; section 4955 <u>N/A</u> b 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0.</u> d Enter: Amount of tax on line 89c, above, reimbursed by the organization <u>0.</u> e All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? g For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89b	X
89e		X
89f		X
89g		X
90 a List the states with which a copy of this return is filed <u>See Statement 9</u> b Number of employees employed in the pay period that includes March 12, 2007	90b	21
91 a The books are in care of <u>The Organization</u> Telephone no. <u>(202) 783-3870</u> Located at <u>Organization's address, Washington, DC</u> ZIP + 4 <u>20004</u> b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <u>N/A</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	91b	X

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c
 If "Yes," enter the name of the foreign country ▶ N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ▶
 and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	36,870.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	77,534.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a <u>List Rental</u>			15	11,603.	
b <u>Affinity Program</u>			15	75,415.	
c <u>Other Revenue</u>			01	516.	
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		201,938.	0.
105 Total (add line 104, columns (B), (D), and (E))					201,938.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
<u>Citizens for a Sound Economy, Inc. - 601 Pennsylvania Ave., NW #700N, Washington</u>	100%	Dormant		

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

				Yes	No
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entry.					X
(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer		
a					
b					
c					
Totals					

				Yes	No
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entry					X
(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer		
a					
b					
c					
Totals					

				Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?					X

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: *J. Mulcahy* Signature of officer, Date: 5/6/08
 Type or print name and title: Judith M. Mulcahy, Treasurer

Paid Preparer's Use Only: Preparer's signature: *[Signature]*, Date: 4-30-08, Check if self-employed: , Preparer's SSN or PTIN (See Gen. Inst. X):
 Firm's name (or yours if self-employed), address, and ZIP + 4: Rogers & Company PLLC, 8300 Boone Boulevard, Suite 600, Vienna, Virginia 22182
 EIN: _____, Phone no.: (703) 893-0300

Form 990	Rental Income	Statement	1
Kind and Location of Property		Activity Number	Gross Rental Income
Subleasing of facilities		1	77,534.
Total to Form 990, Part I, line 6a			77,534.

Form 990	Other Changes in Net Assets or Fund Balances	Statement	2
Description			Amount
Net unrealized loss on investments			<56,686.>
Total to Form 990, Part I, line 20			<56,686.>

Form 990	Other Expenses			Statement	3
Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising	
Professional fees	96,783.	44,646.	2,199.	49,938.	
Advertising	61,744.	61,280.	464.		
Insurance	29,895.	16,593.	8,567.	4,735.	
Noncapital expenses	7,620.	1,024.	6,416.	180.	
Rentals	22,611.	14,170.	3,952.	4,489.	
Miscellaneous	18,198.	55.	8,091.	10,052.	
Novelties	5,185.	5,185.			
Dues	10,242.	3,987.	5,347.	908.	
Photography	931.	929.	2.		
Subscriptions	5,324.	1,652.	3,572.	100.	
Database management	33,338.	10,526.		22,812.	
Computer services	32,965.	1,255.	31,710.		
Clipping services	422.	422.			
Payroll fees	3,229.		3,229.		
Total to Fm 990, ln 43	328,487.	161,724.	73,549.	93,214.	

Form 990 Statement of Organization's Primary Exempt Purpose Statement 4
Part III

Explanation

Public policy, advocacy and educational organization that supports consumers freedom of choice in a market economy.

Form 990 Depreciation of Assets Not Held for Investment Statement 5

Description	Cost or Other Basis	Accumulated Depreciation	Book Value
Various property and equipment	656,696.	559,527.	97,169.
Total to Form 990, Part IV, ln 57	656,696.	559,527.	97,169.

Form 990 Non-Government Securities Statement 6

Security Description	Cost/FMV	Corporate Stocks	Corporate Bonds	Other Publicly Traded Securities	Total Non-Gov't Securities
Money market funds	FMV			939,318.	939,318.
To Form 990, line 54a, Col B				939,318.	939,318.

Form 990 Identification of Related Organizations Statement 7
Part VI, Line 80b

Name of Organization	Exempt	NonExempt
FreedomWorks Foundation, Inc.	X	
FreedomWorks Political Action Committee	X	
Oregon CSE Political Action Committee	X	
Taxpayer Defense Fund	X	
Citizens for PERS Reform	X	
The FreedomWorks Fund	X	
League of Freedom Voters	X	
CSE FreedomWorks, Inc.	X	
Judicial Integrity Coalition	X	
Citizens for a Sound Economy, Inc.		X

<u>Officer's Name</u>	<u>Compensation</u>	<u>Employee Benefit Plan Contribution</u>	<u>Expense Account</u>
Honorable Richard K. Armev	320,000.	0.	0.
<u>Name of Related Organization</u>		<u>Employer ID Number</u>	
FreedomWorks Foundation, Inc.		52-1526916	
<u>Relationship Between Organizations</u>			
Historical relationship/common officers and board members			
<u>Compensation Description</u>			
Non-employee compensation			

<u>Officer's Name</u>	<u>Compensation</u>	<u>Employee Benefit Plan Contribution</u>	<u>Expense Account</u>
Judy Mulcahy	83,552.	9,215.	0.
<u>Name of Related Organization</u>		<u>Employer ID Number</u>	
FreedomWorks Foundation, Inc.		52-1526916	
<u>Relationship Between Organizations</u>			
Historical relationship/common officers and board members			
<u>Compensation Description</u>			
Employee compensation			

Form 990

List of States Receiving Copy of Return
Part VI, Line 90

Statement 9

States

AL, AK, AR, AZ, CA, CO, CT, DE, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO
MT, NE, NV, NJ, NM, NY, NC, ND, OH, OK, OR, NH, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, NH