

Return of Organization Exempt From Income Tax

2002

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 2002 calendar year, or tax year period beginning and ending

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

C Name of organization: **FREE CONGRESS RESEARCH AND EDUCATION FOUNDATION, INC.**

D Employer identification number: **52-1096057**

Number and street (or P O box if mail is not delivered to street address): **717 SECOND STREET, N.E.**

Room/suite: _____

E Telephone number: **202-546-3000**

City or town, state or country, and ZIP + 4: **WASHINGTON, DC 20002**

F Accounting method: Cash Accrual
 Other (specify) _____

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

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates: _____

H(c) Are all affiliates included? **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 Enter 4-digit GEN: _____

G Web site: **WWW.FREECONGRESS.ORG**

J Organization type (check only one): 501(c) (3) (insert no) 4947(a)(1) or 527

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: **2,390,226.**

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

Revenue	1 Contributions, gifts, grants, and similar amounts received				
	a Direct public support	1a	2,132,069.		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ 2,132,069. noncash \$ _____)	1d		2,132,069.	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		8,195.	
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4		2,807.	
	5 Dividends and interest from securities	5			
	6 a Gross rents See Statement 2	6a	212,469.		
	b Less rental expenses See Statement 3	6b	542,401.		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c		<329,932.>	
	7 Other investment income (describe _____)	7			
8 a Gross amount from sale of assets other than inventory	(A) Securities	8a			
	(B) Other	8b			
		8c			
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
9 Special events and activities (attach schedule)	a Gross revenue (not including \$ _____ of contributions reported on line 1a)	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 103)	11		34,686.		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6a, 6b, 7, 8d, 9c, 10c, and 11)	12		1,847,825.		
13 Program services (from line 44, column (B)) - OSC - 608	13		1,448,465.		
14 Management and general (from line 44, column (C))	14		879,576.		
15 Fundraising (from line 44, column (D)) MAY 07 2004	15		429,525.		
16 Payments to affiliates (attach schedule)	16				
17 Total expenses (add lines 16 and 44, column (A))	17		2,757,566.		
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		<909,741.>		
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,206,449.		
20 Other changes in net assets or fund balances (attach explanation)	20		0.		
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		296,708.		

Part IV Balance Sheets

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	2,817.	45 2,983.
	46 Savings and temporary cash investments	621,031.	46 428,172.
	47 a Accounts receivable	47a 82,940.	
	b Less allowance for doubtful accounts	47b	47c 82,940.
	48 a Pledges receivable	48a 425,000.	
	b Less allowance for doubtful accounts	48b	48c 425,000.
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	
	b Less allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	17,408.	53 57,319.
	54 Investments - securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54
	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	57a 6,065,336.		
b Less accumulated depreciation Stmt 9	57b 2,007,723.	57c 4,057,613.	
58 Other assets (describe ▶ See Statement 10)	128,010.	58 99,826.	
59 Total assets (add lines 45 through 58) (must equal line 74)	5,662,988.	59 5,153,853.	
Liabilities	60 Accounts payable and accrued expenses	180,742.	60 338,570.
	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 Stmt 11	4,258,445.	64b 4,501,223.
	65 Other liabilities (describe ▶ CHARITABLE ANNUITY)	17,352.	65 17,352.
66 Total liabilities (add lines 60 through 65)	4,456,539.	66 4,857,145.	
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	556,449.	67 <148,629.>
	68 Temporarily restricted	650,000.	68 445,337.
	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, column (B) must equal line 21)	1,206,449.	73 296,708.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	5,662,988.	74 5,153,853.	

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

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return	Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
<p>a Total revenue, gains, and other support per audited financial statements ▶ a 2,390,226.</p> <p>b Amounts included on line a but not on line 12, Form 990</p> <p>(1) Net unrealized gains on investments \$ _____</p> <p>(2) Donated services and use of facilities \$ _____</p> <p>(3) Recoveries of prior year grants \$ _____</p> <p>(4) Other (specify) \$ _____</p> <p>Add amounts on lines (1) through (4) ▶ b 0.</p> <p>c Line a minus line b ▶ c 2,390,226.</p> <p>d Amounts included on line 12, Form 990 but not on line a.</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$ _____</p> <p>(2) Other (specify) Stmt 13 \$ <542,401.></p> <p>Add amounts on lines (1) and (2) ▶ d <542,401.></p> <p>e Total revenue per line 12, Form 990 (line c plus line d) ▶ e 1,847,825.</p>	<p>a Total expenses and losses per audited financial statements ▶ a 3,299,967.</p> <p>b Amounts included on line a but not on line 17, Form 990</p> <p>(1) Donated services and use of facilities \$ _____</p> <p>(2) Prior year adjustments reported on line 20, Form 990 \$ _____</p> <p>(3) Losses reported on line 20, Form 990 \$ _____</p> <p>(4) Other (specify) Stmt 12 \$ 542,401.</p> <p>Add amounts on lines (1) through (4) ▶ b 542,401.</p> <p>c Line a minus line b ▶ c 2,757,566.</p> <p>d Amounts included on line 17, Form 990 but not on line a.</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$ _____</p> <p>(2) Other (specify) \$ _____</p> <p>Add amounts on lines (1) and (2) ▶ d 0.</p> <p>e Total expenses per line 17, Form 990 (line c plus line d) ▶ e 2,757,566.</p>

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)				
(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
HON. RALPH M. HALL WASHINGTON, DC 20515	CHAIRMAN 0-10	0.	0.	0.
HON. HOWARD H. CALLAWAY PINE MOUNTAIN, GA 31822	SECRETARY 0-10	0.	0.	0.
MORTON C. BLACKWELL ARLINGTON, VA 22201	TREASURER 0-10	0.	0.	0.
HON. WILLIAM G. BATCHELDER MEDINA, OH 44256	DIRECTOR 0-10	0.	0.	0.
JEFFREY H. COORS GOLDEN, CO 80403	DIRECTOR 0-10	0.	0.	0.
E. RALPH HOSTETTER ELKTON, MD 21921	DIRECTOR 0-10	0.	0.	0.
WILLIAM DAHLING C/O FREE CONGRESS WASHINGTON, DC 20002	DIRECTOR 0-10	0.	0.	0.
R. DANIEL McMICHAEL PITTSBURGH, PA 15213	DIRECTOR 0-10	0.	0.	0.
PAUL M. WEYRICH FAIRFAX, VA 22030	PRESIDENT 40	334,867.	8,729.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule ▶ Yes No Form 990 (2002)

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization See Statement 14 _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct or indirect political expenditures See line 81 instructions	81a	0.
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	N/A
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations Enter. a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> , section 4912 <u>0.</u> , section 4955 <u>0.</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	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed See Statement 15		
b	Number of employees employed in the pay period that includes March 12, 2002	90b	25
91	The books are in care of FREE CONGRESS FOUNDATION Telephone no 202-546-3000		
	Located at 717 2ND STREET, N.E. WASHINGTON, DC ZIP + 4 20002		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See page 31 of 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 PUBLICATIONS					8,195.
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	2,807.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property	531120	<329,932.>			
b not debt-financed property					
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 OTHER INCOME			01	34,686.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		<329,932.>		37,493.	8,195.
105 Total (add line 104, columns (B), (D), and (E))					<284,244.>

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 32 of the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	SUBSCRIPTION REVENUE, EXEMPT FUNCTION PUBLICATION.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

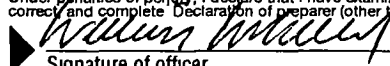
Part X Information Regarding Transfers Associated


(a) Did the organization, during the year, receive any funds, directly or indirectly,

(b) Did the organization, during the year, pay premiums, directly or indirectly, on

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

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 furnished to preparer.

Please Sign Here:  Date: 11/11

Paid Preparer's Use Only: Preparer's signature:  Firm's name (or yours if self-employed), address, and ZIP + 4: CALIBRE CPA GROUP PLLC, 900 17TH STREET, N.W., WASHINGTON, DC 20006

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

2002

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 **FREE CONGRESS RESEARCH AND EDUCATION FOUNDATION, INC.** Employer identification number **52 1096057**

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
THOMAS O'CONNOR ----- BOWIE, MD 20715	DIR/FIN&ADMIN 40	73,195.	11,091.	0.
JOHN NOWACKI ----- SPRINGFIELD, VA 22152	DIR/LEGAL POL 40	66,440.	3,806.	0.
RICO SANCHEZ ----- ANNANDALE, VA 22003	DIR/DEV 40	64,079.	3,693.	0.
JOSEPH STARRS ----- SOUTH RIDING, VA 20152	DIR/BROADCAST 40	63,246.	11,773.	0.
LISA DEAN ----- ALEXANDRIA, VA 22314	DIR/CTR TECH 40	62,956.	3,693.	0.
Total number of other employees paid over \$50,000 ▶	0			

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
MARION E. HARRISON ----- ARLINGTON, VA 22207	LEGAL/OPERATIONS	129,269.
ROBERT CARLESON ----- ALEXANDRIA, VA 22304	CONSULTANT	66,000.
----- ----- ----- -----		
Total number of others receiving over \$50,000 for professional services ▶	0	

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i 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)? See Part V, Form 990	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 5 of the instructions)

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

5 <input type="checkbox"/>	A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
6 <input type="checkbox"/>	A school Section 170(b)(1)(A)(ii) (Also complete Part V)
7 <input type="checkbox"/>	A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii).
8 <input type="checkbox"/>	A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v).
9 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input checked="" type="checkbox"/>	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 <input type="checkbox"/>	A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
12 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input type="checkbox"/>	An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions)

FREE CONGRESS RESEARCH AND EDUCATION

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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	2,700,050.	2,106,807.	3,426,589.	5,580,735.	13,814,181.
16 Membership fees received					
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	3,126.	7,705.	17,640.	34,942.	63,413.
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	234,437.	211,674.	314,524.	448,271.	1,208,906.
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.	8,408.	8,257.	See Statement 16 34,049.	72,559.	123,273.
23 Total of lines 15 through 22	2,946,021.	2,334,443.	3,792,802.	6,136,507.	15,209,773.
24 Line 23 minus line 17	2,942,895.	2,326,738.	3,775,162.	6,101,565.	15,146,360.
25 Enter 1% of line 23	29,460.	23,344.	37,928.	61,365.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 302,927.
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 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the sum of all these excess amounts					26b 6,851,597.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 15,146,360.
d Add Amounts from column (e) for lines 18 1,208,906. 19 22 123,273. 26b 6,851,597.					26d 8,183,776.
e Public support (line 26c minus line 26d total)					26e 6,962,584.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 45.9687%
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	(2001) N/A	(2000) N/A	(1999) N/A	(1998) N/A	
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	(2001) N/A	(2000) N/A	(1999) N/A	(1998) N/A	
c Add Amounts from column (e) for lines 15 17 20 21					27c N/A
d Add Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, 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

None

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

N/A

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

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
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?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)	32d	

33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	

34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Schedule A (Form 990 or 990-EZ) 2002

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
	N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
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)	42	
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

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				N/A
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

N/A

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
		0.

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

- (i) Cash
(ii) Other assets

b Other transactions

- (i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

Summary table with columns Yes/No and rows 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), c.

Main table with columns (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1: B/C, 58,219, COALITIONS FOR AMERICA, SHARED FACILITY & STAFF.

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No (with X in Yes box)

b If "Yes," complete the following schedule

Table with columns (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1: COALITIONS FOR AMERICA, 501(C)(4), COMMON EMPLOYEE/ONE DIRECTOR.

2002 DEPRECIATION AND AMORTIZATION REPORT

Form 990 Page 2

990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	LAND	Varies		.000	16	922,686.			922,686.			0.
2	BUILDING AND EQUIPMENT	Varies		16.00	16	5142651.			5142651.	1804908.		0.
	* Total 990 Page 2 Depr					6065337.		0.	6065337.	1804908.	0.	0.

THE FREE CONGRESS RESEARCH AND EDUCATION FOUNDATION, INC., (THE FOUNDATION) IS ORGANIZED AS A NONPROFIT EDUCATIONAL ENTITY TO ASSIST THE GENERAL PUBLIC AND OTHER CHARITABLE AND EDUCATIONAL ORGANIZATIONS BY SHARING RESEARCH AND EDUCATIONAL INFORMATION.

SPECIFICALLY, THE FOUNDATION'S PRIMARY EXEMPT PURPOSES ARE:

1. TO ENGAGE IN NON-PARTISAN RESEARCH, STUDY, AND ANALYSIS FOR THE BENEFIT OF THE GENERAL PUBLIC REGARDING: (A) THE POLITICAL STRUCTURE OF THE UNITED STATES, AND (B) QUESTIONS AFFECTING THE PUBLIC INTEREST WITH RESPECT TO BOTH PRIVATE AND PUBLIC SECTORS, AND PUBLICATION OF STUDY RESULTS.
2. TO PREPARE EDUCATIONAL MATERIALS AND CONDUCT EDUCATIONAL ACTIVITIES IN SUPPORT OF THE GENERAL PURPOSES OF THE CORPORATION.
3. TO CONDUCT AND SPONSOR FORUMS, LECTURES, DEBATES, AND SIMILAR PROGRAMS.
4. TO ASSIST OTHER CHARITABLE AND EDUCATIONAL ORGANIZATIONS EXEMPT UNDER SECTION 501(C)(3) IN THE CONDUCT OF SIMILAR ACTIVITIES.

Form 990	Rental Income	Statement	2
Kind and Location of Property	Activity Number	Gross Rental Income	
BUILDING, 717 SECOND ST, NE, WASHINGTON, DC	1	212,469.	
Total to Form 990, Part I, line 6a		212,469.	

Form 990	Rental Expenses	Statement	3
Description	Activity Number	Amount	Total
BUILDING OPERATING EXPENSES		542,401.	
- SubTotal -	1		542,401.
Total to Form 990, Part I, line 6b			542,401.

Form 990	Other Expenses			Statement	4
Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising	
COMPUTER SERVICES	135,335.	58,294.	76,877.	164.	
TECHNICAL SERVICES	139,227.	113,642.	<2,940.>	28,525.	
TAXES AND LICENSES	3,430.	35.	150.	3,245.	
SUBSCRIPTIONS	13,029.	7,584.	5,012.	433.	
CONTRIBUTIONS	650.		650.		
INTERN EXPENSES	4,320.	4,320.			
PROMOTIONS AND ADVERTISING	2,126.	1,095.	189.	842.	
FREIGHT AND DELIVERY	11,033.	655.	9,783.	595.	
PROFESSIONAL FEES	165,847.		165,847.		
MAINTENANCE & EQUIPMENT & VEHICLE	3,756.		3,756.		
INSURANCE	37,709.		37,709.		
TEMPORARY STAFF & AGENCY FEES	1,370.		1,370.		
LEGAL SETTLEMENT	400,000.		400,000.		
ART, GRAPHICS VIDEO TAPES	5,832.	3,070.	1,462.	1,300.	
CONFERENCES - EXTERNAL	6,863.	485.	3,878.	2,500.	

MISCELLANEOUS	9,179.	<105.>	9,284.	
BROADCASTING SERVICE BOARD & OTHER EXPENSES	23,955.	23,955.		
OVERHEAD ALLOCATION	15,203.	1,587.	13,615.	1.
	0.	599,117.	<837,183.>	238,066.
Total to Fm 990, ln 43	978,864.	813,734.	<110,541.>	275,671.

Form 990 Statement of Program Service Accomplishments Statement 5

Description of Program Service One

THE CENTER FOR LAW AND DEMOCRACY RESEARCHES THE PAST VOTING RECORD, OPINIONS, AND QUALIFICATIONS OF PEOPLE NOMINATED FOR THE FEDERAL JUDICIARY. THESE FINDINGS ARE REPORTED VIA COLUMNS, ESSAYS, BOOKS, AND SEMINARS OPEN TO THE PUBLIC.

	Grants	Expenses
To Form 990, Part III, line a		602,469.

Form 990 Statement of Program Service Accomplishments Statement 6

Description of Program Service Two

THE CENTER FOR CONSERVATIVE GOVERNANCE FOCUSES ON EDUCATING PEOPLE ABOUT THE CONSTITUTION AND CONSTITUTIONAL MATTERS THROUGH TAPES, INFORMATION PACKETS, TRAINING SEMINARS, AND A TELEVISION SERIES.

	Grants	Expenses
To Form 990, Part III, line b		524,412.

Form 990 Statement of Program Service Accomplishments Statement 7

Description of Program Service Three

THE CENTER FOR CULTURAL CONSERVATISM - THIS RESEARCH CENTER STUDIES A WIDE VARIETY OF HISTORICAL, POLITICAL & IDEOLOGICAL MOVEMENTS, PARTICULARLY THE INFLUENCES OF A SCHOOL OF THOUGHT THAT ORIGINATED IN FRANKFORT, GERMANY.

	Grants	Expenses
To Form 990, Part III, line c		202,818.

Form 990 Statement of Program Service Accomplishments Statement 8

Description of Program Service Four

THE FREE CONGRESS FOUNDATION PRODUCES FOUR TELEVISION PROGRAMS: ENDANGERED LIBERTIES; LEGAL NOTEBOOK; NEXT REVOLUTION; AND AMERICAN INVESTIGATOR. THESE PROGRAMS ARE SYNDICATED NATIONALLY TO AN AUDIENCE OF 12 MILLION HOMES.

	Grants	Expenses
To Form 990, Part III, line d		118,766.

Form 990 Depreciation of Assets Not Held for Investment Statement 9

Description	Cost or Other Basis	Accumulated Depreciation	Book Value
LAND	922,686.	0.	922,686.
BUILDING AND EQUIPMENT	5,142,651.	1,804,908.	3,337,743.
Total to Form 990, Part IV, ln 57	6,065,337.	1,804,908.	4,260,429.

Form 990	Other Assets	Statement	10
Description		Amount	
LOAN ORIGINATION FEES		96,231.	
DEPOSITS		3,595.	
Total to Form 990, Part IV, line 58, Column B		99,826.	

Form 990	Mortgages Payable	Statement	11
Description		Balance Due	
MORGAN GUARANTY TRUST		4,501,223.	
Total included on Form 990, Part IV, line 64b, Column B		4,501,223.	

Form 990	Other Expenses Not Included on Form 990	Statement	12
Description		Amount	
RENTAL EXPENSES		542,401.	
Total to Form 990, Part IV-B		542,401.	

Form 990	Other Revenue Included on Form 990	Statement	13
Description		Amount	
BUILDING EXPENSES ATTRIBUTABLE TO RENTAL INCOME		<542,401.>	
Total to Form 990, Part IV-A		<542,401.>	

Form 990 Identification of Related Organizations Statement 14
Part VI, Line 80b

Name of Organization	Exempt	NonExempt
COALITIONS FOR AMERICA	X	
AMERICA'S VOICE		X
FREE CONGRESS PAC	X	
CESG	X	
AMERICAN INVESTIGATOR TELEVISION, LTD		X

Form 990 List of States Receiving Copy of Return Statement 15
Part VI, Line 90

States

FLORIDA, MISSISSIPPI, KANSAS, MAINE, MICHIGAN, CALIFORNIA, CONNECTICUT, ILLINOIS, KENTUCKY, MARYLAND, MASSACHUSETTS, MINNESOTA, NEW HAMPSHIRE, NE YORK, NOTH CAROLINA, OHIO, OKLAHOMA, OREGON, PENNSYLVANIA, TENNESSEE, VIRGINIA AND WEST VIRGINIA

Schedule A Other Income Statement 16

Description	2001 Amount	2000 Amount	1999 Amount	1998 Amount
OTHER	8,408.	8,257.	34,049.	72,559.
Total to Schedule A, line 22	8,408.	8,257.	34,049.	72,559.