

Return of Organization Exempt From Income Tax

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service(77)

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 7/01, 2007, and ending 6/30, 2008

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

C INDEPENDENCE INSTITUTE 13952 DENVER WEST PARKWAY, STE. 400 GOLDEN, CO 80401-3134

D Employer Identification Number 84-0990300 E Telephone number 303-279-6536 F Accounting method: Cash, Accrual, Other

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? H (b) If 'Yes,' enter number of affiliates H (c) Are all affiliates included? H (d) Is this a separate return filed by an organization covered by a group ruling?

G Web site: N/A

J Organization type (check only one) 501(c) 3 (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.

I Group Exemption Number M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 1,903,404.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with 21 rows and 3 columns: Description, Amount, Total. Includes sections for Contributions, Program service revenue, Other investment income, Special events, and Total revenue/expenses.

SCANNED JUN 04 2009

RECEIVED MAY 05 2009

FORM 990

Handwritten signature/initials

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 (See instruct.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a 110,000.	99,000.	5,500.	5,500.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b 0.	0.	0.	0.
c 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)	25c 0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26 497,254.	441,040.	620.	55,594.
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28 7,670.	5,701.	80.	1,889.
29 Payroll taxes	29 42,380.	37,111.	573.	4,696.
30 Professional fundraising fees	30			
31 Accounting fees	31 5,800.	4,872.	348.	580.
32 Legal fees	32 64,640.	64,640.		
33 Supplies	33			
34 Telephone	34 13,767.	12,730.	489.	548.
35 Postage and shipping	35 28,309.	23,110.	211.	4,988.
36 Occupancy	36			
37 Equipment rental and maintenance	37 10,908.	9,868.	495.	545.
38 Printing and publications	38 44,579.	31,748.	124.	12,707.
39 Travel	39 26,912.	25,946.	119.	847.
40 Conferences, conventions, and meetings	40			
41 Interest	41 335.	335.		
42 Depreciation, depletion, etc (attach schedule)	42 11,495.	11,495.		
43 Other expenses not covered above (itemize)				
a SEE STATEMENT 2	43a 402,505.	387,598.	6,186.	8,721.
b -----	43b			
c -----	43c			
d -----	43d			
e -----	43e			
f -----	43f			
g -----	43g			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44 1,266,554.	1,155,194.	14,745.	96,615.

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 \$ _____, (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

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? ▶ <u>SEE STATEMENT 3</u> 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.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a <u>SEE STATEMENT 4</u> ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	1,155,194.
b ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
c ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
d ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (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) ▶	1,155,194.

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	216,110.	45	605,918.	
	46 Savings and temporary cash investments	1,362,945.	46	1,909,273.	
	47a Accounts receivable	47a 118,000.			
	b Less allowance for doubtful accounts	47b	478,875.	47c 118,000.	
	48a Pledges receivable	48a			
	b Less: allowance for doubtful accounts	48b		48c	
	49 Grants receivable			49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b	
	51a Other notes and loans receivable (attach schedule)	51a			
	b Less allowance for doubtful accounts	51b		51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges			53	
	54a Investments — publicly-traded securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a	
	b Investments — other securities (attach sch)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
	55a Investments — land, buildings, & equipment basis	55a			
	b Less accumulated depreciation (attach schedule)	55b		55c	
	56 Investments — other (attach schedule)			56	
	57a Land, buildings, and equipment basis	57a 132,091.			
b Less accumulated depreciation (attach schedule) STATEMENT 5	57b 116,519.	23,964.	57c 15,572.		
58 Other assets, including program-related investments (describe ▶ _____)			58		
59 Total assets (must equal line 74). Add lines 45 through 58		2,081,894.	59	2,648,763.	
LIABILITIES	60 Accounts payable and accrued expenses	9,959.	60	11,885.	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax-exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)		64b		
	65 Other liabilities (describe ▶ SEE STATEMENT 6 _____)		37,408.	65	45,773.
	66 Total liabilities. Add lines 60 through 65		47,367.	66	57,658.
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	1,926,842.	67	1,921,124.	
	68 Temporarily restricted	107,685.	68	669,981.	
	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)		2,034,527.	73	2,591,105.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		2,081,894.	74	2,648,763.

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	2,069,790.
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	166,386.	
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____	b4	80,272.	
	SEE STM 7			
	Add lines b1 through b4		b	246,658.
c	Subtract line b from line a		c	1,823,132.
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	
e	Total revenue (Part I, line 12). Add lines c and d		e	1,823,132.

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

a	Total expenses and losses per audited financial statements		a	1,513,212.
b	Amounts included on line a but not on Part I, line 17			
	1 Donated services and use of facilities	b1	166,386.	
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify) _____	b4	80,272.	
	SEE STMT 8			
	Add lines b1 through b4		b	246,658.
c	Subtract line b from line a		c	1,266,554.
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	
e	Total expenses (Part I, line 17). Add lines c and d		e	1,266,554.

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 and deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 9		100,000.	0.	10,000.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)	Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 7		
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)	75b	X
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	75c	X
d Does the organization have a written conflict of interest policy?	75d	X

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

Part VI Other Information (See the instructions.)	Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If 'Yes,' attach a detailed statement of each change	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
78a 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	N/A
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	79	X
80a 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 ▶ N/A _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a Enter direct and indirect political expenditures (See line 81 instructions)	81a	0.
b Did the organization file Form 1120-POL for this year?	81b	X

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?		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)		
82 b			N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85 a	501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		N/A
	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.		
c	Dues, assessments, and similar amounts from members		N/A
d	Section 162(e) lobbying and political expenditures		N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		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?		N/A
86	501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12		N/A
b	Gross receipts, included on line 12, for public use of club facilities		N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		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)		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		X
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		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		X
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?		X
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
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?		X
90 a	List the states with which a copy of this return is filed <u>NONE</u>		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)		14
91 a	The books are in care of <u>INDEPENDENCE INSTITUTE</u> Telephone number <u>303-279-6536</u> Located at <u>13952 DENVER WEST PARKWAY GOLDEN CO</u> ZIP + 4 <u>80401-3134</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		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts		

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91 c** Yes No X

If 'Yes,' enter the name of the foreign country _____

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here N/A 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.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a OTHER INCOME					427.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					49,769.
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					29,680.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))					79,876.
105 Total (add line 104, columns (B), (D), and (E))					79,876.

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)
93A-B	ALL ACTIVITIES CONTRIBUTED TO THE OBJECTIVES OF EDUCATION ISSUES.
101	RESEARCH AND EDUCATION OF THE PUBLIC.

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)	(D)	(E)
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with

a Did the organization, during the year, receive any funds, directly or indirectly, to pay _____

b Did the organization, during the year, pay premiums, directly or indirectly, for _____

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).

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 entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

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 entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

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?

Yes	No
	X

Please Sign Here

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.

Signature of officer: *Jon Caldara* Date: 5/1/09

Type or print name and title: JON CALDARA

Paid Preparer's Use Only

Preparer's signature: *Rita Kay Gilbert, CPA* Date: 4/15/09

Firm's name (or yours if self-employed), address, and ZIP + 4: RITA KAY GILBERT, PC
7114 W JEFFERSON AVE STE 302
LAKWOOD, CO 80235-2354

Check if self-employed: Preparer's SSN or PTIN (See General Instruction X): P00728753

EIN: 20-5811538 Phone no: (303) 726-2267

BAA

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 4947(a)(1) Nonexempt Charitable Trust

2007

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

INDEPENDENCE INSTITUTE

Employer identification number

84-0990300

Part I

Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See 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 and deferred compensation	(e) Expense account and other allowances
SEE STATEMENT 10		137,430.	0.	0.
Total number of other employees paid over \$50,000 ▶		0		

Part II – A

Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See 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
NONE		
Total number of others receiving over \$50,000 for professional services ▶		0

Part II – B

Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶		0

Part III Statements About Activities (See 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 ▶ \$ <u>18,350.</u> (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	1	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?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	X
3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments)	3a	X
b Did the organization have a section 403(b) annuity plan for its employees?	3b	X
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement	3c	X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	X
4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g	4a	X
b Did the organization make any taxable distributions under section 4966?	4b	N/A
c Did the organization make a distribution to a donor, donor advisor, or related person?	4c	N/A
d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____		N/A
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____		N/A
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____		0
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____		0.

Part IV Reason for Non-Private Foundation Status (See instructions.)

I certify that 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)
- 11 a 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.)
- 11 b 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 otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization: ▶
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					0.

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

BAA

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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	2,371,252.	1,194,368.	1,248,653.	790,377.	5,604,650.
16 Membership fees received					0.
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	80.	3,567.	43.	428.	4,118.
18 Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975	38,671.	18,583.	7,273.	4,313.	68,840.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
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.					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets SEE STMT 11	81,853.	47,828.	97,602.	69,431.	296,714.
23 Total of lines 15 through 22	2,491,856.	1,264,346.	1,353,571.	864,549.	5,974,322.
24 Line 23 minus line 17	2,491,776.	1,260,779.	1,353,528.	864,121.	5,970,204.
25 Enter 1% of line 23	24,919.	12,643.	13,536.	8,645.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 119,404.
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 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c 5,970,204.
d Add. Amounts from column (e) for lines 18 68,840. 19 _____ 22 296,714. 26b _____					26d 365,554.
e Public support (line 26c minus line 26d total)					26e 5,604,650.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 93.88 %
27 Organizations described on line 12: N/A					
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 (2006) _____ (2005) _____ (2004) _____ (2003) _____					
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 11b, 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 (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c
d Add: Line 27a total _____ and line 27b total _____					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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 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) ----- ----- -----		
34 a 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 instructions.)
(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
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)		36	3,670.
37 Total lobbying expenditures to influence a legislative body (direct lobbying)		37	14,680.
38 Total lobbying expenditures (add lines 36 and 37)		38 0.	18,350.
39 Other exempt purpose expenditures		39	1,303,093.
40 Total exempt purpose expenditures (add lines 38 and 39)		40 0.	1,321,443.
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	41	207,144.
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 0.	51,786.
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36		43 0.	0.
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38		44 0.	0.

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)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount	207,144.	174,200.			381,344.
46 Lobbying ceiling amount (150% of line 45(e))					572,016.
47 Total lobbying expenditures	18,350.	9,300.			27,650.
48 Grassroots non-taxable amount	51,786.	43,550.			95,336.
49 Grassroots ceiling amount (150% of line 48(e))					143,004.
50 Grassroots lobbying expenditures	3,670.	1,860.			5,530.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See 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

Yes	No	Amount

- 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**.)

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 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?

Table with 3 columns: Category (a-f), Yes, No. Rows include 51a(i) Cash, 51a(ii) Other assets, 51b(i) Sales or exchanges of assets, 51b(ii) Purchases of assets, 51b(iii) Rental of facilities, 51b(iv) Reimbursement arrangements, 51b(v) Loans or loan guarantees, 51b(vi) Performance of services or membership or fundraising solicitations, and 51c 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:

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

52a 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 [X]

b If 'Yes,' complete the following schedule

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

**Depreciation and Amortization
(Including Information on Listed Property)**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

INDEPENDENCE INSTITUTE

Identifying number

84-0990300

Business or activity to which this form relates

FORM 990/990-PF

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$125,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$500,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	52.

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	11,443.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B – Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C – Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	11,495.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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2007 FEDERAL BOOK DEPRECIATION SCHEDULE

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NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR ALLOW	PRIOR 179/ BONUS/ SP. DEPR	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 990/990-PF																
1710																
1	FURNITURE	6/30/93		1,896							1,896	1,896	S/L HY	7		0
2	CHAIRS	6/29/02		2,192							2,192	1,592	S/L HY	7	14290	313
TOTAL 1710				4,088		0	0	0	0	0	4,088	3,488				313
1730																
3	SAP FURNITURE	6/30/93		1,080							1,080	1,080	S/L HY	7		0
TOTAL 1730				1,080		0	0	0	0	0	1,080	1,080				0
1810																
4	OFFICE EQUIPMENT	6/30/93		8,664							8,664	8,664	S/L HY	5		0
5	COMPUTER	6/30/01		400							400	400	S/L HY	5		0
6	EFET EQUIP	6/30/02		2,215							2,215	2,215	S/L HY	5		0
7	JON COMPUTER	6/30/04		1,500							1,500	1,500	S/L HY	5	20000	0
8	SOFTWARE	6/30/05		37,402							37,402	25,298	S/L HY	5	20000	7,480
9	COMPUTER	11/11/05		1,023							1,023	341	S/L HY	5	20000	205
26	COMPUTER EQUIP APPLE	6/02/08		3,103							3,103		S/L	5		52
TOTAL 1810				54,307		0	0	0	0	0	54,307	38,418				7,737
1830																

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2007 FEDERAL BOOK DEPRECIATION SCHEDULE

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NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS PCT.	CUR 179 BONUS	SPECIAL DEPR ALLOW	PRIOR 179/ BONUS/ SP. DEPR	PRIOR DEC. BAL DEPR	SALVAG /BASIS REDUCT	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
10	PIC-OFFICE EQUIP	6/30/93		2,693							2,693	2,693	S/L HY	5		0
11	PIC-SOFTWARE	6/30/04		600							600	600	S/L HY	5	.20000	0
12	PIC-COMPUTER PAM	6/30/04		1,169							1,169	1,169	S/L HY	5	.20000	0
13	PIC-SOFTWARE	6/30/04		7,800							7,800	7,800	S/L HY	5	.20000	0
14	PIC-SOFTWARE	6/30/04		4,675							4,675	2,805	S/L HY	5	20000	935
TOTAL 1830				16,937		0	0	0	0	0	16,937	15,067				935
1850																
15	SAP-COMPUTER	6/30/01		7,442							7,442	7,442	S/L HY	5		0
16	SAP-COMPUTER	6/30/02		4,127							4,127	3,919	S/L HY	5		0
17	SAP-DELL	5/22/03		1,721							1,721	1,204	S/L HY	5	10000	172
18	SAP-NETWORK SOLUTIONS	8/11/04		3,148							3,148	1,575	S/L HY	5	.20000	630
19	SAP-DELL	9/14/04		1,845							1,845	923	S/L HY	5	.20000	369
20	SAP-NETWORK SOLUTIONS	3/08/05		135							135	68	S/L HY	5	.20000	27
21	SAP-NETWORK SOLUTIONS	4/10/06		1,080							1,080	324	S/L HY	5	20000	216
24	COMPUTER EQUIP	3/12/07		3,323							3,323	332	S/L HY	5	20000	665
25	COMPUTER EQUIP	3/13/07		830							830	83	S/L HY	5	.20000	166
TOTAL 1850				23,651		0	0	0	0	0	23,651	15,870				2,245
1870																
22	SOUND EQUIP COMREX NEXU	12/25/05		1,325							1,325	397	S/L HY	5	.20000	265
TOTAL 1870				1,325		0	0	0	0	0	1,325	397				265
1950																

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NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT	DEPR BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
23	WEBSITE PIC	6/30/00		30,704							30,704	30,704	S/L HY	5		0
	TOTAL 1950			30,704		0	0	0	0	0	30,704	30,704				0
	TOTAL DEPRECIATION			<u>132,092</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>132,092</u>	<u>105,024</u>				<u>11,495</u>
	GRAND TOTAL DEPRECIATION			<u>132,092</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>132,092</u>	<u>105,024</u>				<u>11,495</u>

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**STATEMENT 1
FORM 990, PART I, LINE 9
NET INCOME (LOSS) FROM SPECIAL EVENTS**

<u>SPECIAL EVENTS</u>	<u>GROSS RECEIPTS</u>	<u>LESS CONTRI- BUTIONS</u>	<u>GROSS REVENUE</u>	<u>LESS DIRECT EXPENSES</u>	<u>NET INCOME (LOSS)</u>
FOUNDERS' NIGHT	109,952.	0.	109,952.	80,272.	29,680.
TOTAL	<u>\$ 109,952.</u>	<u>\$ 0.</u>	<u>\$ 109,952.</u>	<u>\$ 80,272.</u>	<u>\$ 29,680.</u>

**STATEMENT 2
FORM 990, PART II, LINE 43
OTHER EXPENSES**

	<u>(A) TOTAL</u>	<u>(B) PROGRAM SERVICES</u>	<u>(C) MANAGEMENT & GENERAL</u>	<u>(D) FUNDRAISING</u>
ADVERTISING & PROMOTION	45,520.	45,520.		
AUTO EXPENSE	2,224.	2,207.	7.	10.
BANK CHARGES	3,239.	866.	2,139.	234.
BUSINESS MEALS	9,713.	9,588.	9.	116.
COMPUTER SUPPLIES	6,369.	6,062.	152.	155.
CONTRACT SERVICES	188,013.	184,146.	1,721.	2,146.
EVENTS	32,453.	32,453.		
INSURANCE	3,276.	2,875.	172.	229.
LOBBYING	18,350.	18,350.		
MEMBERSHIPS	3,220.	3,077.	143.	
NEWSLETTER	4,817.	1,570.	19.	3,228.
OFFICE	11,141.	10,136.	241.	764.
ON-LINE SERVICE/WEBSITE	8,562.	8,394.	77.	91.
OTHER	2,009.	1,496.	170.	343.
OUTREACH	31,335.	31,335.		
PHOTOGRAPHY	50.	50.		
PROFESSIONAL DEVELOPMENT	199.	199.		
RESEARCH COSTS	2,345.	2,345.		
STUDIO	5,370.	4,955.	178.	237.
TV PROGRAM	22,564.	20,436.	1,072.	1,056.
WORKERS COMPENSATION INSURANCE	1,736.	1,538.	86.	112.
TOTAL	<u>\$ 402,505.</u>	<u>\$ 387,598.</u>	<u>\$ 6,186.</u>	<u>\$ 8,721.</u>

**STATEMENT 3
FORM 990, PART III
ORGANIZATION'S PRIMARY EXEMPT PURPOSE**

ISSUES RESEARCH & EDUCATION OF THE PUBLIC.

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**STATEMENT 4
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS**

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
EDUCATION OF THE PUBLIC REGARDING PUBLIC POLICY ISSUES THROUGH ISSUES ANALYSIS, PUBLICATIONS, CONFERENCES AND MEDIA. INCLUDES FOREIGN GRANTS: NO		
THE INDEPENDENCE INSTITUTE OPERATES IN A DONATED FACILITY. THE LESSOR ESTIMATED THE FAIR VALUE OF THIS OFFICE SPACE TO BE \$166,386 FOR THE YEAR ENDED JUNE 30, 2008, AND IS RECORDED AS AN IN-KIND CONTRIBUTION AND RENT EXPENSE. SEE PART VI, OTHER INFORMATION, LINE 82A & 82B. INCLUDES FOREIGN GRANTS: NO		1,155,194.
	<u>\$ 0.</u>	<u>\$1,155,194.</u>

**STATEMENT 5
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT**

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
FURNITURE AND FIXTURES	\$ 5,168.	\$ 4,881.	\$ 287.
MACHINERY AND EQUIPMENT	126,923.	111,638.	15,285.
TOTAL	<u>\$ 132,091.</u>	<u>\$ 116,519.</u>	<u>\$ 15,572.</u>

**STATEMENT 6
FORM 990, PART IV, LINE 65
OTHER LIABILITIES**

ACCRUED SALARIES & RELATED EXPENSES	\$ 45,773.
TOTAL	<u>\$ 45,773.</u>

**STATEMENT 7
FORM 990, PART IV-A, LINE B(4)
OTHER AMOUNTS**

ON AUDIT/ FUNDRAISING EXP IN EXP SECTION	\$ 80,272.
TOTAL	<u>\$ 80,272.</u>

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**STATEMENT 8
FORM 990, PART IV-B, LINE B(4)
OTHER AMOUNTS**

ON AUDIT/ FUNDRAISING EXP IN EXP SECTION

TOTAL	\$	80,272.
	\$	<u>80,272.</u>

**STATEMENT 9
FORM 990, PART V-A
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES**

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN- SATION</u>	<u>CONTRI- BUTION TO EBP & DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
JON C CALDARA 13952 DENVER WEST PKWY #400 GOLDEN, CO 80401	PRESIDENT 40.00	\$ 100,000.	\$ 0.	\$ 10,000.
JAMES MACDOUGALD 13952 DENVER WEST PKWY #400 GOLDEN, CO 80401	TRUSTEE 0.00	0.	0.	0.
KATHERINE WHITCOMB 13952 DENVER WEST PKWY #400 GOLDEN, CO 80401	TRUSTEE 0	0.	0.	0.
JEFF COORS 13952 DENVER WEST PKWY #400 GOLDEN, CO 80401	TRUSTEE 0	0.	0.	0.
CATHERINE SHOPNECK 13952 DENVER WEST PKWY #400 GOLDEN, CO 80401	TRUSTEE 0	0.	0.	0.
JOSEPH SMITH 13952 DENVER WEST PKWY #400 GOLDEN, CO 80401	TRUSTEE 0	0.	0.	0.
JOSEPH IGNAT 13952 DENVER PKWY #400 GOLDEN, CO 80401	TRUSTEE 0	0.	0.	0.
	TOTAL	<u>\$ 100,000.</u>	<u>\$ 0.</u>	<u>\$ 10,000.</u>

**STATEMENT 10
SCHEDULE A, PART I
COMPENSATION OF FIVE HIGHEST PAID EMPLOYEES**

<u>NAME AND ADDRESS</u>	<u>TITLE & AVERAGE HOURS WORKED</u>	<u>COMPEN- SATION</u>	<u>CONTRIBUT. EBP & DC</u>	<u>EXPENSE ACCOUNT</u>
DAVID KOPEL 13952 DENVER WEST PKWY #400 GOLDEN, CO 80401	RESEARCH DIR. 40.00	137,430.	0.	0.
	TOTAL	<u>\$ 137,430.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

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STATEMENT 11
 SCHEDULE A, PART IV-A, LINE 22
 OTHER INCOME

DESCRIPTION	(A) 2006	(B) 2005	(C) 2004	(D) 2003	(E) TOTAL
FUNDRAISING REVENUE	\$ 81,366.	\$ 46,162.	\$ 57,925.	\$ 60,105.	\$ 245,558.
GAIN/LOSS ON SALE OF INVESTMENTS					
	0.	0.	-682.	900.	218.
MISCELLANEOUS	487.	1,666.	1,525.	208.	3,886.
LOSS ON DISPOSAL OF PROP & EQUIP					
	0.	0.	-3,243.	0.	-3,243.
DONATED FIXED ASSETS	0.	0.	42,077.	8,218.	50,295.
TOTAL	<u>\$ 81,853.</u>	<u>\$ 47,828.</u>	<u>\$ 97,602.</u>	<u>\$ 69,431.</u>	<u>\$ 296,714.</u>

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**SPECIAL EVENTS
GROSS RECEIPTS
FOUNDERS' NIGHT**

CASH	\$	100,725.
NONCASH DONATION FOR EVENT		9,227.
TOTAL	\$	<u>109,952.</u>

**SPECIAL EVENTS
EXPENSES
FOUNDERS' NIGHT**

CASH EXPENSES	\$	71,045.
IN-KIND EXPENSES		9,227.
TOTAL	\$	<u>80,272.</u>

**OFFICERS, DIRECTORS, TRUSTEES COMPEN.
AVERAGE HOURS PER WEEK**

TOTAL	<u>40</u>
	<u>40</u>

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	2007	2006	DIFF
REVENUE			
CONTRIBUTIONS, GIFTS, AND GRANTS	1,743,256	1,384,697	358,559
PROGRAM SERVICE REVENUE	427	567	-140
INTEREST ON SAVINGS/TEMP CASH INVEST	49,769	38,671	11,098
NET INCOME (LOSS) - SPECIAL EVENTS	29,680	81,366	-51,686
TOTAL REVENUE	1,823,132	1,505,301	317,831
EXPENSES			
PROGRAM SERVICES	1,155,194	772,633	382,561
MANAGEMENT AND GENERAL	14,745	19,257	-4,512
FUNDRAISING	96,615	152,367	-55,752
TOTAL EXPENSES	1,266,554	944,257	322,297
NET ASSETS OR FUND BALANCES			
EXCESS OR (DEFICIT) FOR THE YEAR	556,578	561,044	-4,466
NET ASSETS/FUND BAL. AT BEG. OF YEAR	2,034,527	1,473,483	561,044
NET ASSETS/FUND BAL. AT END OF YEAR	2,591,105	2,034,527	556,578

2007

GENERAL INFORMATION

PAGE 1

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84-0990300

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FORMS NEEDED FOR THIS RETURN

FEDERAL: 990, SCH A, SCH B, 4562-FY, 8868, 8868 P2

CARRYOVERS TO 2008

NONE

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ 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).

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).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*

Type or print	Name of Exempt Organization INDEPENDENCE INSTITUTE	Employer identification number 84-0990300
File by the due date for filing your return. See instructions	Number, street, and room or suite number. If a P O box, see instructions 13952 DENVER WEST PARKWAY, STE. 400	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions GOLDEN, CO 80401-3134	

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 (section 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 |

• The books are in the care of ▶ INDEPENDENCE INSTITUTE

Telephone No. ▶ 303-279-6536 FAX No ▶ _____

- 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 months for a section 501(c) corporation required to file Form 990-T) extension of time until 2/15, 20 09, to file the exempt organization return for the organization named above.
The extension is for the organization's return for:

- ▶ calendar year 20__ or
- ▶ tax year beginning 7/01, 20 07, and ending 6/30, 20 08.

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	3a	\$	0.
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	3b	\$	0.
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	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

• If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** and check this box

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time. You must file original and one copy.

Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization INDEPENDENCE INSTITUTE	Employer identification number 84-0990300
	Number, street, and room or suite number If a P O box, see instructions 13952 DENVER WEST PARKWAY, STE. 400	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions GOLDEN, CO 80401-3134	

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-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 5227 | |

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in care of **INDEPENDENCE INSTITUTE**
 Telephone No **303-279-6536** FAX No.
- 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 is for

- 4 I request an additional 3-month extension of time until 5/15, 2009
- 5 For calendar year _____, or other tax year beginning 7/01, 2007, and ending 6/30, 2008
- 6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 7 State in detail why you need the extension TAXPAYER RESPECTFULLY REQUESTS ADDITIONAL TIME TO GATHER INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE TAX RETURN.

8a 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	8a \$
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b \$
c Balance Due. Subtract line 8b from line 8a. 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 instrs	8c \$

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 Rita Kay Gilbert Title CPA Date 2/9/09

Notice to Applicant. (To be Completed by the IRS)

- We **have** approved this application. Please attach this form to the organization's return
- We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely filed return. Please attach this form to the organization's return.
- We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period
- We **cannot consider** this application because it was filed after the extended due date of the return for which an extension was requested
- Other _____

Director _____ By _____ Date _____

Alternate Mailing Address. Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name RITA KAY GILBERT, PC
	Number and street (include suite, room, or apartment number) or a P.O. box number 7114 W JEFFERSON AVE STE 302
	City or town, province or state, and country (including postal or ZIP code) LAKWOOD, CO 80235-2354
