Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2006

Open to Public Inspection

A For the 2006 calendar year, or tax year beginning , 2006, and ending ,

B Check if applicable
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Final return
- [ ] Amended return
- [ ] Application pending

Please use IRS label or print or type See specific instructions.

C Name of organization
Foundation for Rational Economics and Education, Inc.
Number and street (or P O box if mail is not delivered to street addr) Room/suite
PO Box 1776
City, town or country State ZIP code + 4
Lake Jackson TX 77566

D Employer Identification Number 74-2066841

E Telephone number (979) 265-3034

F Accounting method: [X] 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 [X] No

H (b) If 'Yes,' enter number of affiliates ►

H (c) Are all affiliates included? [ ] Yes [ ] No
(If 'No,' attach a list See instructions)

H (d) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No

I Group Exemption Number ►

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

G Web site: ► N/A

J Organization type (check only one) ► [X] 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 A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ► 632,396.

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

R E V E N U E	1	Contributions, gifts, grants, and similar amounts received:					
	a	Contributions to donor advised funds		1a	611,306.		
	b	Direct public support (not included on line 1a)		1b			
	c	Indirect public support (not included on line 1a)		1c			
	d	Government contributions (grants) (not included on line 1a)		1d			
	e	Total (add lines 1a through 1d) (cash $ 611,306. noncash $ 0.)				1e	611,306.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)				2	
	3	Membership dues and assessments				3	
	4	Interest on savings and temporary cash investments				4	3,817.
	5	Dividends and interest from securities				5	
	6a	Gross rents		6a	17,500.		
	b	Less. rental expenses		6b			
	c	Net rental income or (loss) Subtract line 6b from line 6a				6c	17,500.
	7	Other investment income (describe ►)				7	
			(A) Securities		(B) Other		
	8a	Gross amount from sales of assets other than inventory		8a			
	b	Less cost or other basis and sales expenses		8b			
	c	Gain or (loss) (attach schedule)		8c	-227.		
	d	Net gain or (loss) Combine line 8c, columns (A) and (B)				8d	-227.
	9	Special events and activities (attach schedule) If any amount is from **gaming**, check here ► [ ]					
	a	Gross revenue (not including $ of contributions reported on line 1b)		9a			
	b	Less direct expenses other than fundraising expenses		9b			
	c	Net income or (loss) from special events Subtract line 9b from line 9a				9c	
	10a	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	
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12	632,396.
E X P E N S E S	13	Program services (from line 44, column (B))				13	402,723.
	14	Management and general (from line 44, column (C))				14	57,346.
	15	Fundraising (from line 44, column (D))				15	70,790.
	16	Payments to affiliates (attach schedule)				16	0.
	17	**Total expenses.** Add lines 16 and 44, column (A)				17	530,859.
N E T A S S E T S	18	Excess or (deficit) for the year Subtract line 17 from line 12				18	101,537.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))				19	353,663.
	20	Other changes in net assets or fund balances (attach explanation)				20	3,796.
	21	Net assets or fund balances at end of year Combine lines 18, 19, and 20				21	458,996.

5-10 3

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash $ ____ non-cash $ ____) If this amount includes foreign grants, check here ► ☐	22a				
22b Other grants and allocations (att sch) (cash $ ____ non-cash $ ____) If this amount includes foreign grants, check here ► ☐	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 (attach sch) See L-25a Stmt	25a	45,750.	27,450.	11,438.	6,862.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch)	25b				
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) (attach schedule)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26				
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28				
29 Payroll taxes	29	4,165.	2,499.	1,041.	625.
30 Professional fundraising fees	30				
31 Accounting fees	31	650.	0.	650.	0.
32 Legal fees	32				
33 Supplies	33	4,808.	2,885.	1,202.	721.
34 Telephone	34	11,431.	6,858.	2,858.	1,715.
35 Postage and shipping	35	65,687.	26,637.	12,259.	26,791.
36 Occupancy	36	8,696.	5,218.	2,174.	1,304.
37 Equipment rental and maintenance	37	5,316.	3,190.	1,329.	797.
38 Printing and publications	38	88,125.	58,410.	1,480.	28,235.
39 Travel	39	15,631.	9,379.	3,908.	2,344.
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	2,219.	0.	2,219.	0.
43 Other expenses not covered above (itemize)					
a CREDIT CARD FEES	43a	2,158.	0.	1,079.	1,079.
b COMPUTER SERVICES	43b	1,649.	989.	413.	247.
c CONTRACT LABOR	43c	17,280.	9,375.	7,905.	0.
d DUES/SUBSCRIPTIONS	43d	360.	0.	360.	0.
e INSURANCE	43e	749.	0.	749.	0.
f JANITORIAL	43f	900.	0.	900.	0.
g See Other Expenses Stmt	43g	255,285.	249,833.	5,382.	70.
44 **Total functional expenses.** Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	530,859.	402,723.	57,346.	70,790.

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

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? ► EDUCATION 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 CONTINUED EMPHASIS ON THE EDUCATION OF ECONOMIC & SOCIAL ISSUES THRU PUBLICATION OF THE FREEDOM REPORT AND 30 SECOND RADIO SPOTS (Grants and allocations $ 0.) If this amount includes foreign grants, check here ► ☐	402,722.
b (Grants and allocations $) If this amount includes foreign grants, check here ► ☐	
c (Grants and allocations $) If this amount includes foreign grants, check here ► ☐	
d (Grants and allocations $) If this amount includes foreign grants, check here ► ☐	
e Other program services (Grants and allocations $) If this amount includes foreign grants, check here ► ☐	
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ►	402,722.

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			242,590.	45	238,447.
46 Savings and temporary cash investments			108,320.	46	212,682.
47a Accounts receivable	47a				
b Less allowance for doubtful accounts	47b		1,259.	47c	
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	► ☐ Cost ☐ FMV			54a	
b Investments – other securities (attach sch)	► ☐ Cost ☐ 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	139,572.			
b Less· accumulated depreciation (attach schedule)	57b	130,432.	2,927.	57c	9,140.
58 Other assets, including program-related investments (describe ► ______)				58	
59 **Total assets** (must equal line 74) Add lines 45 through 58			355,096.	59	460,269.
LIABILITIES 60 Accounts payable and accrued expenses			1,433.	60	1,273.
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 ► ______)				65	
66 **Total liabilities.** Add lines 60 through 65			1,433.	66	1,273.
NET ASSETS OR FUND BALANCES **Organizations that follow SFAS 117, check here ►** [X] and complete lines 67 through 69 and lines 73 and 74					
67 Unrestricted			353,663.	67	458,996.
68 Temporarily restricted				68	
69 Permanently restricted				69	
Organizations that do not follow SFAS 117, check here ► ☐ 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)			353,663.	73	458,996.
74 **Total liabilities and net assets/fund balances.** Add lines 66 and 73			355,096.	74	460,269.

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
b	Amounts included on line **a** but not on Part I, line 12			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify)	b4		
	Add lines **b1** through **b4**			b
c	Subtract line **b** from line **a**			c
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

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

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

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
HENRY K MAY LAKE JACKSON, TX 77566	PRES, AN	0.	0.	0.
MARY JANE SMITH LAKE JACKSON, TX 77566	VP, AN	0.	0.	0.
CAROL PAUL LAKE JACKSON, TX 77566	SEC, AN	0.	0.	0.
LORI PYEATT LAKE JACKSON, TX 77566	TREAS, AN	45,750.	0.	0.

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 as board meetings ► 4			
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'	75c		X
If 'Yes,' attach a statement that includes the information described in the instructions.			
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)

(A) Name and address	(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		X
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 ► and check whether it is ☐ exempt **or** ☐ nonexempt.			
81a Enter direct and indirect political expenditures (See line 81 instructions) **81a**			
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?		**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**			
83a	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	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		**84a**		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		**84b**		
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?		**85b**	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	**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 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		**88a**		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 ►		**88b**		X
89a	*501(c)(3) organizations* Enter: Amount of tax imposed on the organization during the year under section 4911 ► 0. , section 4912 ► 0. , section 4955 ► 0.				
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 ►				
e	*All organizations* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		**89e**		X
f	*All organizations* Did the organization acquire a direct or indirect interest in any applicable insurance contract?		**89f**		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?		**89g**	N/A	

90a List the states with which a copy of this return is filed ► TEXAS

b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.) **90b** 1

91 a The books are in care of ► Lori Pyeatt Telephone number ► (979) 265-3034

Located at ► 837 W PLANTATION DR. CLUTE TX ZIP + 4 ► 77531

			Yes	No
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)?	**91 b**		X
	If 'Yes,' enter the name of the foreign country ►			
	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)*

		Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States?	91 c		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 ► ☐
and enter the amount of tax-exempt interest received or accrued during the tax year ► 92

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

Note: *Enter gross amounts unless otherwise indicated*	Unrelated business income		Excluded by section 512, 513, or 514		
	(A) Business code	**(B)** Amount	**(C)** Exclusion code	**(D)** Amount	**(E)** Related or exempt function income
93 Program service revenue:					
a					
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	522100				
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate.					
a debt-financed property					
b not debt-financed property	531120				
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					
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))					

105 **Total** (add line 104, columns (B), (D), and (E)) ►

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)
	N/A

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See the instructions.)* N/A

(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
	%			
	%			
	%			
	%			

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

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

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

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

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

		Yes	No
106	Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity		X

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

		Yes	No
107	Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity		X

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

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

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

► Lori Pyeatt — Date 9-17-07
Signature of officer — Date

► Lori Pyeatt Treasurer
Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date 09/14/07	Check if self-employed ► ☐	Preparer's SSN or PTIN (See General Instruction W)
Firm's name (or yours if self-employed), address, and ZIP + 4	► Paul, Phipps & Co., PLLC 1516 South Gordon, Suite One Alvin TX 77511-3451	EIN ► Phone no ►	

Form 990
Part ii, Line 25a

Compensation of Current Officers, Directors, Key Employees, Etc.

2006

Name as Shown on Return
Foundation for Rational Economics and Education, Inc.

Employer Identification No
74-2066841

Compensation

Name	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
LORI PYEATT	45,750.	27,450.	11,438.	6,862.
Total Compensation Received	45,750.	27,450.	11,438.	6,862.

Contributions to Employee Benefit Plans & Deferred Compensation Plans

Name	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Total Contributions to Employee Benefit Plans & Deferred Compensation Plans				

Expense Account and Other Allowances

Name	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Total Expense Account and Other Allowances				
Total to Part II, Line 25a ►	45,750.	27,450.	11,438.	6,862.

Form 990, Page 2, Part II, Line 43
Other Expenses Stmt

Other expenses not covered above (itemize):	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
LICENSES/PERMITS	210.	0.	210.	0.
PENALTIES	287.	0.	287.	0.
RADIO BROADCAST	122,053.	122,053.	0.	0.
REPAIRS/MAINTENANCE	468.	281.	117.	70.
PROGRAM EDITORIAL	127,499.	127,499.	0.	0.
CONTRIBUTIONS	2,500.	0.	2,500.	0.
PROPERTY TAX	2,268.	0.	2,268.	0.
Total	255,285.	249,833.	5,382.	70.

Supporting Statement of:

Form 990 p 1/Line 20

Description	Amount
Correction of Accumulated Depreciation account	3,796.
Total	3,796.

Form **8868** (Rev December 2006)

Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545 1709

► File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ► [X]
- 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)(3) 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)(3) 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 File by the due date for filing your return See instructions	Name of Exempt Organization: Foundation for Rational Economics and Education, Inc.	**Employer Identification number**: 74-2066841
	Number, street, and room or suite number If a P O box, see instructions: PO Box 1776	
	City, town or post office For a foreign address, see instructions: Lake Jackson	state: TX ZIP code: 77566

Check type of return to be filed (file a separate application for each return)

[X] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (section 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[ ] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ► Lori Pyeatt

Telephone No ► (979) 265-3034 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)(3) corporation required to file Form 990-T) extension of time until Aug 15, 20 07, to file the exempt organization return for the organization named above The extension is for the organization's return for

► [X] calendar year 20 06 or

► [ ] tax year beginning ________, 20 ___, and ending ________, 20 ___

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

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