

**Return of Organization Exempt From Income Tax**

**2005**

**Open to Public Inspection**

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

Department of the Treasury  
Internal Revenue Service

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

**A For the 2005 calendar year, or tax year beginning Jul 1, 2005, and ending Jun 30, 2006**

**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**  
**The Freecycle Network**

Number and street (or P O box if mail is not delivered to street addr) Room/suite  
**PO Box 294**

City, town or country State ZIP code + 4  
**Tucson AZ 85702**

**D Employer Identification Number**  
**20-0938414**

**E Telephone number**  
**(520) 867-6935**

**F Accounting method:**  Cash  Accrual  
 Other (specify) \_\_\_\_\_

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

H and I are not applicable to section 527 organizations

- H (a)** Is this a group return for affiliates?  Yes  No
- H (b)** If 'Yes,' enter number of affiliates
- H (c)** Are all affiliates included?  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  No

**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's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

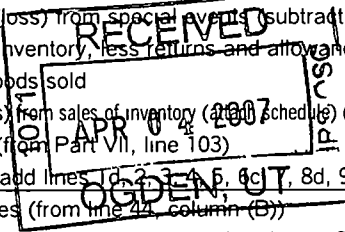
**I Group Exemption Number** \_\_\_\_\_

**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 **141,582.**

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

RECEIVED APR 25 2007	<b>1</b> Contributions, gifts, grants, and similar amounts received				
	<b>a</b> Direct public support	<b>1 a</b>			
	<b>b</b> Indirect public support	<b>1 b</b>			
	<b>c</b> Government contributions (grants)	<b>1 c</b>			
	<b>d</b> Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)			<b>1 d</b>	
	Program service revenue including government fees and contracts (from Part VII, line 93)			<b>2</b>	123,333.
	Membership dues and assessments			<b>3</b>	
	Interest on savings and temporary cash investments			<b>4</b>	433.
	Dividends and interest from securities			<b>5</b>	
	<b>a</b> Gross rents	<b>6 a</b>			
	<b>b</b> Less rental expenses	<b>6 b</b>			
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)			<b>6 c</b>	
<b>7</b> Other investment income (describe _____)			<b>7</b>		
<b>8 a</b> Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
		<b>8 a</b>			
		<b>8 b</b>			
<b>b</b> Less cost or other basis and sales expenses			<b>8 c</b>		
<b>c</b> Gain or (loss) (attach schedule)					
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))			<b>8 d</b>		
<b>9</b> Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>					
<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)			<b>9 a</b>		
<b>b</b> Less direct expenses other than fundraising expenses			<b>9 b</b>		
<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)			<b>9 c</b>		
<b>10 a</b> Gross sales of inventory, less returns and allowances		<b>10 a</b>			
	<b>b</b> Less cost of goods sold		<b>10 b</b>		
<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			<b>10 c</b>		
<b>11</b> Other revenue (from Part VII, line 103)			<b>11</b>	17,816.	
<b>12 Total revenue</b> (add lines 1c, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			<b>12</b>	141,582.	
EXPENSES	<b>13</b> Program services (from line 44, column (B))		<b>13</b>	98,385.	
	<b>14</b> Management and general (from line 44, column (C))		<b>14</b>	8,572.	
	<b>15</b> Fundraising (from line 44, column (D))		<b>15</b>	0.	
	<b>16</b> Payments to affiliates (attach schedule)		<b>16</b>		
	<b>17 Total expenses</b> (add lines 16 and 44, column (A))		<b>17</b>	106,957.	
<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)		<b>18</b>	34,625.		
NET ASSETS	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))		<b>19</b>	48,359.	
	<b>20</b> Other changes in net assets or fund balances (attach explanation)		<b>20</b>		
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)		<b>21</b>	82,984.	



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**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
22 Grants and allocations (att sch) - (cash \$ _____) non-cash \$ _____)  If this amount includes foreign grants, check here <input type="checkbox"/>	22				
23 Specific assistance to individuals (att sch)	23				
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc	25	46,462.	41,816.	4,646.	0.
26 Other salaries and wages	26				
27 Pension plan contributions	27				
28 Other employee benefits	28	0.	0.	0.	0.
29 Payroll taxes	29	3,826.	3,443.	383.	0.
30 Professional fundraising fees	30				
31 Accounting fees	31	1,900.	1,900.	0.	0.
32 Legal fees	32	492.	0.	492.	0.
33 Supplies	33	1,669.	1,669.	0.	0.
34 Telephone	34	2,051.	1,846.	205.	0.
35 Postage and shipping	35	781.	703.	78.	0.
36 Occupancy	36				
37 Equipment rental and maintenance	37				
38 Printing and publications	38				
39 Travel	39				
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	1,193.	1,074.	119.	0.
43 Other expenses not covered above (itemize)					
a <u>Volunteer coordinator</u>	43a	12,517.	12,517.	0.	0.
b <u>Information technology</u>	43b	33,068.	33,068.	0.	0.
c <u>Other operating</u>	43c	698.	349.	349.	0.
d <u>Income taxes</u>	43d	2,300.	0.	2,300.	0.
e _____	43e				
f _____	43f				
g _____	43g				
44 Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	106,957.	98,385.	8,572.	0.

**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 \$ \_\_\_\_\_

BAA

**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? 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.)	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
<b>a</b> <u>The Organization has over 3,000,000 members in over 3,000 communities, who through the electronic forum provided by Freecycle have prevented thousands of tons of reusable items ending up in waste disposal sites.</u> ----- ----- ----- (Grants and allocations \$ 0. ) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>98,385.</b>
<b>b</b> ----- ----- ----- (Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>c</b> ----- ----- ----- (Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>d</b> ----- ----- ----- (Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>e</b> Other program services (Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) <input type="checkbox"/>	<b>98,385.</b>

**Part IV Balance Sheets** (See 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
<b>ASSETS</b>	45 Cash – non-interest-bearing	44,177.	45	67,301.
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a 6,667.		
	b Less allowance for doubtful accounts	47b 0.	47c	6,667.
	48a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use	1,716.	52	1,384.
	53 Prepaid expenses and deferred charges	5,780.	53	6,009.
	54 Investments – securities (attach schedule)		54	
	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 3,578.			
b Less accumulated depreciation (attach schedule) I-57 Stmt	57b 1,789.	2,982.	57c 1,789.	
58 Other assets (describe ▶ See Line 58 Stmt )		0.	58 6,012.	
59 <b>Total assets</b> (must equal line 74) Add lines 45 through 58		54,655.	59 89,162.	
<b>LIABILITIES</b>	60 Accounts payable and accrued expenses	6,296.	60	1,568.
	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)		0.	64b 4,610.
	65 Other liabilities (describe ▶ )			65
	66 <b>Total liabilities.</b> Add lines 60 through 65		6,296.	66 6,178.
<b>NET ASSETS OR FUND BALANCES</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	48,359.	67	82,984.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	<b>Organizations that do not follow SFAS 117, check here</b> <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 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		48,359.	73 82,984.
	74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73		54,655.	74 89,162.

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See instructions.)

		a	N/A
a	Total revenue, gains, and other support per audited financial statements		
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	<b>Total revenue</b> (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	N/A
a	Total expenses and losses per audited financial statements		
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	<b>Total expenses</b> (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
Deron Beal 901 N. Perry Tucson, AZ 85702	Chairperson 40+	45,000.	1,462.	0.
Jennifer Columbus U of A, College Social Behavioral Sciences Tucson, AZ 85701	Vice Chair 2+	0.	0.	0.
Jolie Sibert 1510 E. Ft. Lowell Tucson, AZ 85719	Secretary 2+	0.	0.	0.
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<b>Part V-A</b> <b>Current Officers, Directors, Trustees, and Key Employees</b> <i>(continued)</i>	Yes	No
<b>75 a</b> Enter the total number of officers, directors, and trustees permitted to vote on organization business as board meetings <span style="float: right;">-----&gt;</span>		
<b>b</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)	<b>75 b</b> X	
<b>c</b> 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 this organization through common supervision or common control? <b>Note.</b> Related organizations include section 509(a)(3) supporting organizations  If 'Yes,' attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization	<b>75 c</b>	X
<b>d</b> Does the organization have a written conflict of interest policy?	<b>75 d</b>	X

<b>Part V-B</b> <b>Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits</b> (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	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
(A) Name and address -----				
-----				
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<b>Part VI</b> <b>Other Information</b> <i>(See the instructions)</i>	Yes	No
<b>76</b> Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity	<b>76</b>	X
<b>77</b> 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	<b>77</b>	X
<b>78 a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>78 a</b> X	
<b>b</b> If 'Yes,' has it filed a tax return on <b>Form 990-T</b> for this year?	<b>78 b</b> X	
<b>79</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	<b>79</b>	X
<b>80 a</b> 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?	<b>80 a</b>	X
<b>b</b> If 'Yes,' enter the name of the organization <span style="float: right;">-----&gt;</span>  ----- and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt	<b>81 a</b>	
<b>81 a</b> Enter direct and indirect political expenditures. (See line 81 instructions)	<b>81 a</b>	
<b>b</b> Did the organization file <b>Form 1120-POL</b> for this year?	<b>81 b</b>	X

Part VI Other Information (continued)	Yes	No
<b>82 a</b> Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	<b>X</b>	
<b>b</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.)	<b>82 b</b> _____	
<b>83 a</b> Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>X</b>	
<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<b>83 b</b> N/A	
<b>84 a</b> Did the organization solicit any contributions or gifts that were not tax deductible?		<b>X</b>
<b>b</b> If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>84 b</b> _____	
<b>85 501(c)(4), (5), or (6) organizations a</b> Were substantially all dues nondeductible by members?	<b>85 a</b> N/A	
<b>b</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	<b>85 b</b> N/A	
If 'Yes' was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
<b>c</b> Dues, assessments, and similar amounts from members	<b>85 c</b> N/A	
<b>d</b> Section 162(e) lobbying and political expenditures	<b>85 d</b> N/A	
<b>e</b> Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	<b>85 e</b> N/A	
<b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e)	<b>85 f</b> N/A	
<b>g</b> Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	<b>85 g</b> N/A	
<b>h</b> 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?	<b>85 h</b> N/A	
<b>86 501(c)(7) organizations. Enter a</b> Initiation fees and capital contributions included on line 12	<b>86 a</b> N/A	
<b>b</b> Gross receipts, included on line 12, for public use of club facilities	<b>86 b</b> N/A	
<b>87 501(c)(12) organizations Enter a</b> Gross income from members or shareholders	<b>87 a</b> N/A	
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	<b>87 b</b> N/A	
<b>88</b> At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		<b>X</b>
<b>89 a 501(c)(3) organizations</b> Enter Amount of tax imposed on the organization during the year under section 4911 ▶ <u>N/A</u> ; section 4912 ▶ <u>N/A</u> , section 4955 ▶ <u>N/A</u>		
<b>b 501(c)(3) and 501(c)(4) organizations</b> 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		<b>X</b>
<b>c</b> Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	▶ _____ <b>0.</b>	
<b>d</b> Enter Amount of tax on line 89c, above, reimbursed by the organization	▶ _____ <b>0.</b>	
<b>90 a</b> List the states with which a copy of this return is filed ▶ <u>ARIZONA</u>		
<b>b</b> Number of employees employed in the pay period that includes March 12, 2005 (See instructions)	<b>90 b</b> <u>1</u>	
<b>91 a</b> The books are in care of ▶ <u>CORPORATION</u> Telephone number ▶ <u>(520) 867-6935</u> Located at ▶ <u>PO Box 294, Tucson, AZ</u> ZIP + 4 ▶ <u>85702</u>		
<b>b</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 ▶ _____	<b>91 b</b>	<b>X</b>
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements		
<b>c</b> At any time during the calendar year, did the organization maintain an office outside of the United States? If 'Yes,' enter the name of the foreign country ▶ _____	<b>91 c</b>	<b>X</b>
<b>92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041</b> - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	▶ <b>92</b> _____	

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a <b>WASTE MANAGEMENT EDUCATION</b>					123,333.
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			14	433.	
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					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b <b>Miscellaneous</b>			01	769.	
c <b>Internet Advertising</b>	541800	17,047.			
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		17,047.		1,202.	123,333.
105 Total (add line 104, columns (B), (D), and (E))					141,582.

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See 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	Freecycle receives funding through contracts and awards to educate individuals and organizations about waste management issues including the benefits of recycling and keeping
	See Relationship of Activities to the Accomplishment of Exempt Purposes Statement

**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
	0			
	0			
	0			
	0			

**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)

**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: [Signature] Date: 3-29-07

Type or print name and title: Deron Beal, Executive Director

**Paid Preparer's Use Only**

Preparer's signature: [Signature] Date: 3/24/07 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: ADDINGTON & ASSOCIATES, PLLC  
5501 NORTH ORACLE RD., STE #125  
TUCSON AZ 85704

EIN: \_\_\_\_\_ Phone no: (520) 887-1120

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under  
Section 501(c)(3)**

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

Supplementary Information — (See separate instructions.)

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

OMB No 1545-0047

**2005**

Name of the organization <b>The Freecycle Network</b>	Employer identification number <b>20-0938414</b>
----------------------------------------------------------	-----------------------------------------------------

**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
None				
-----				
-----				
-----				
-----				
-----				
-----				
-----				
Total number of other employees paid over \$50,000 ▶		None		

**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 ▶		None

**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 ▶		None

**Part III** Statements About Activities (See instructions)

	Yes	No
<p><b>1</b> 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 <b>▶</b> \$ _____</p> <p>(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)</p> <p>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</p>	<b>1</b>	<b>X</b>
<p><b>2</b> 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)</p>		
<p><b>a</b> Sale, exchange, or leasing of property?</p>	<b>2a</b>	<b>X</b>
<p><b>b</b> Lending of money or other extension of credit?</p>	<b>2b</b>	<b>X</b>
<p><b>c</b> Furnishing of goods, services, or facilities?</p>	<b>2c</b>	<b>X</b>
<p><b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p> <p align="right"><b>See Part V, Form 990</b></p>	<b>2d</b>	<b>X</b>
<p><b>e</b> Transfer of any part of its income or assets?</p>	<b>2e</b>	<b>X</b>
<p><b>3a</b> Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments)</p>	<b>3a</b>	<b>X</b>
<p><b>b</b> Do you have a section 403(b) annuity plan for your employees?</p>	<b>3b</b>	<b>X</b>
<p><b>c</b> During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?</p>	<b>3c</b>	<b>X</b>
<p><b>4a</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?</p>	<b>4a</b>	<b>X</b>
<p><b>b</b> Do you provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	<b>4b</b>	<b>X</b>

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

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

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

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

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

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

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

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

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,700.				1,700.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc. purpose	86,030.				86,030.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	162.				162.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. <b>Miscellaneous</b>	696.				696.
23 Total of lines 15 through 22	88,588.				88,588.
24 Line 23 minus line 17	2,558.				2,558.
25 Enter 1% of line 23	886.				

<b>26 Organizations described on lines 10 or 11:</b>	a Enter 2% of amount in column (e), line 24	▶ 26a	51.
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 2001 through 2004 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	2,558.
d Add Amounts from column (e) for lines	18 <u>162.</u> 19 _____	▶ 26d	858.
	22 <u>696.</u> 26b _____	▶ 26e	1,700.
e Public support (line 26c minus line 26d total)		▶ 26f	66.46 %
f <b>Public support percentage (line 26e (numerator) divided by line 26c (denominator))</b>			

<b>27 Organizations described on line 12:</b>	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.	(2004) _____ (2003) _____ (2002) _____ (2001) _____	
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:	(2004) _____ (2003) _____ (2002) _____ (2001) _____		
c Add Amounts from column (e) for lines	15 _____ 16 _____	▶ 27c	
	17 _____ 20 _____ 21 _____	▶ 27d	
d Add Line 27a total _____ and line 27b total _____		▶ 27e	
e Public support (line 27c total minus line 27d total)		▶ 27f	
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)		▶ 27g	%
g <b>Public support percentage (line 27e (numerator) divided by line 27f (denominator))</b>		▶ 27h	%
h <b>Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</b>			

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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
<b>29</b> 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?		
<b>30</b> 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?		
<b>31</b> 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.) ----- ----- -----		
<b>32</b> Does the organization maintain the following		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff?		
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
<b>d</b> 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 ) ----- -----		
<b>33</b> Does the organization discriminate by race in any way with respect to:		
<b>a</b> Students' rights or privileges?		
<b>b</b> Admissions policies?		
<b>c</b> Employment of faculty or administrative staff?		
<b>d</b> Scholarships or other financial assistance?		
<b>e</b> Educational policies?		
<b>f</b> Use of facilities?		
<b>g</b> Athletic programs?		
<b>h</b> Other extracurricular activities?  If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement ) ----- ----- -----		
<b>34 a</b> Does the organization receive any financial aid or assistance from a governmental agency?		
<b>b</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		
<b>35</b> 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)

N/A

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

**Limits on Lobbying Expenditures**

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

(a)  
Affiliated group  
totals

(b)  
To be completed  
for ALL electing  
organizations

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

**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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots non-taxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

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



Form 990, Page 8, Part VIII

**Relationship of Activities to the Accomplishment of Exempt Purposes Statement**

Line Number ▼	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).
	<u>items out of waste disposal sites through exchange with other individuals or organization.</u>

Form 990, Page 4, Part IV, Lines 57a &amp; 57b

**Land, Buildings and Equipment Statement**

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
<u>Office furniture &amp; equipment</u>	<u>3,578.</u>	<u>1,789.</u>	<u>1,789.</u>
Total	<u><u>3,578.</u></u>	<u><u>1,789.</u></u>	<u><u>1,789.</u></u>

Form 990, Page 4, Part IV, Line 58

**Other Assets Statement**

Line 58 - Other Assets:	Beginning of Year	End of Year
<u>Intangible assets</u>	<u>0.</u>	<u>6,012.</u>
Total	<u><u>0.</u></u>	<u><u>6,012.</u></u>

Explanation Statement

Form/Line: Form 990, Part V-A line 75b  
 Explanation of: Relationship of Officers, Trustees, & Highly Compensated Employees

The Executive Director and Board President, is related by marriage to Jennifer Columbus. Ms.Columbus receives no compensation for services she provides to the Organization.

**Supporting Statement of:**

Form 990 p 4/Line 64b, column (B)

Description	Amount
Note payable, credit with financial institution	2,310.
Income taxes payable	2,300.
Total	4,610.