

Return of Organization Exempt From Income Tax

2005

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

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

A For the 2005 calendar year, or tax year beginning and ending

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: NATIONAL RIGHT TO WORK LEGAL DEFENSE AND EDUCATION FOUNDATION, INC. (SEE STMT). D Employer identification number: 59-1588825. E Telephone number: (703) 321-8510. F Accounting method: Cash, Accrual.

G Website: WWW.NRTW.ORG. 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? H(d) Is this a separate return filed by an organization covered by a group ruling?

J Organization type: 501(c)(03). K Check here if the organization's gross receipts are normally not more than \$25,000. L Gross receipts: 9,525,414. M Check if the organization is not required to attach Sch B.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances. 1 Contributions, gifts, grants, and similar amounts received: 1a Direct public support: 5,348,177. 1b Indirect public support. 1c Government contributions (grants). 1d Total: 5,348,177.

2 Program service revenue including government fees and contracts (from Part VII, line 93): 443,456. 3 Membership dues and assessments. 4 Interest on savings and temporary cash investments. 5 Dividends and interest from securities: 255,655.

6 a Gross rents: 71,826. b Less rental expenses: 8,979. c Net rental income or (loss) (subtract line 6b from line 6a): 62,847. 7 Other investment income (describe):

8 a Gross amount from sales of assets other than inventory: 3,388,195. b Less cost or other basis and sales expenses: 3,015,478. c Gain or (loss) (attach schedule): 372,717. d Net gain or (loss) (combine line 8c, columns (A) and (B)) STMT: 372,717.

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 1a). b Less direct expenses other than fundraising expenses. c Net income or (loss) from special events (subtract line 9b from line 9a).

10 a Gross sales of inventory, less returns and allowances. b Less cost of goods sold. c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a): 18,105.

11 Other revenue (from Part VII, line 103): 18,105. 12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11): 6,500,957.

13 Program services (from line 44, column (B)): 4,284,866. 14 Management and general (from line 44, column (C)): 347,418. 15 Fundraising (from line 44, column (D)): 1,509,852.

16 Payments to affiliates (attach schedule). 17 Total expenses (add lines 16 and 44, column (A)): 6,142,136.

18 Excess or (deficit) for the year (subtract line 17 from line 12): 358,821. 19 Net assets or fund balances at beginning of year (from line 73, column (A)): 9,974,959.

20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT: 17,054. 21 Net assets or fund balances at end of year (combine lines 18, 19, and 20): 10,350,834.

523001 02-03-06 LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form 990 (2005)

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NATIONAL RIGHT TO WORK LEGAL DEFENSE

AND EDUCATION FOUNDATION, INC. (SEE STMT)

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Form 990 (2005)

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 (attach schedule) (cash \$ <u>0</u> • noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>					
23 Specific assistance to individuals (attach schedule)					
24 Benefits paid to or for members (attach schedule)					
25 Compensation of officers, directors, etc.	447,747.	373,204.	29,946.	44,597.	
26 Other salaries and wages	2,058,977.	1,716,190.	137,707.	205,080.	
27 Pension plan contributions	241,829.	222,935.	8,141.	10,753.	
28 Other employee benefits	176,781.	154,613.	16,758.	5,410.	
29 Payroll taxes	157,410.	136,390.	12,312.	8,708.	
30 Professional fundraising fees	309,872.	108,021.		201,851.	
31 Accounting fees	22,615.		22,615.		
32 Legal fees	269,125.	267,700.	1,425.		
33 Supplies	48,264.	11,861.	10,964.	25,439.	
34 Telephone	106,961.	14,948.	4,193.	87,820.	
35 Postage and shipping	501,401.	110,326.	262.	390,813.	
36 Occupancy	189,267.	119,025.	35,873.	34,369.	
37 Equipment rental and maintenance					
38 Printing and publications	290,849.	112,092.	62.	178,695.	
39 Travel	50,491.	34,785.	8,888.	6,818.	
40 Conferences, conventions, and meetings					
41 Interest	7,210.	4,745.	1,430.	1,035.	
42 Depreciation, depletion, etc. (attach schedule)	33,039.	21,756.	6,557.	4,726.	
43 Other expenses not covered above (itemize):					
a _____	43a				
b _____	43b				
c _____	43c				
d _____	43d				
e _____	43e				
f _____	43f				
g SEE STATEMENT	43g	1,230,298.	876,275.	50,285.	303,738.
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	6,142,136.	4,284,866.	347,418.	1,509,852.

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 \$ 305,991. ; (ii) the amount allocated to Program services \$ 14,282. ;

(iii) the amount allocated to Management and general \$ _____ , and (iv) the amount allocated to Fundraising \$ 291,709.

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

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

What is the organization's primary exempt purpose? SEE SCHEDULE	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a SEE SCHEDULE	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	2,843,430.
b SEE SCHEDULE	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	1,377,820.
c SEE SCHEDULE	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	63,616.
d	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	4,284,866.

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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	499,306.	45	748,671.	
	46 Savings and temporary cash investments	802,963.	46	505,293.	
	47 a Accounts receivable	47a 132,405.			
	b Less: allowance for doubtful accounts	47b	47c	132,405.	
	48 a Pledges receivable	48a			
	b Less: allowance for doubtful accounts	48b	48c		
	49 Grants receivable		49		
	50 Receivables from officers, directors, trustees, and key employees		50		
	51 a Other notes and loans receivable	51a			
	b Less: allowance for doubtful accounts	51b	51c		
	52 Inventories for sale or use		52		
	53 Prepaid expenses and deferred charges	85,043.	53	58,243.	
	54 Investments - securities STMT	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	8,967,454.	54	9,228,651.
	55 a Investments - land, buildings, and equipment: basis	55a 430,000.			
b Less: accumulated depreciation	55b	55c	430,000.		
56 Investments - other		56			
57 a Land, buildings, and equipment: basis	57a 726,992.				
b Less: accumulated depreciation	57b 623,762.	105,366.	57c	103,230.	
58 Other assets (describe ▶ SEE STATEMENT)		111,008.	58	358,437.	
59 Total assets (must equal line 74). Add lines 45 through 58		11,128,917.	59	11,564,930.	
Liabilities	60 Accounts payable and accrued expenses	925,683.	60	960,256.	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees		63		
	64 a Tax-exempt bond liabilities		64a		
	b Mortgages and other notes payable	75,000.	64b	75,000.	
	65 Other liabilities (describe ▶ ANNUITIES PAYABLE)		153,275.	65	178,840.
66 Total liabilities. Add lines 60 through 65)		1,153,958.	66	1,214,096.	
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	9,863,951.	67	9,992,397.	
	68 Temporarily restricted		68		
	69 Permanently restricted	111,008.	69	358,437.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		9,974,959.	73	10,350,834.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		11,128,917.	74	11,564,930.	

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AND EDUCATION FOUNDATION, INC. (SEE STMT)**

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Part VI Other Information (continued)

Yes	No
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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		<input checked="" type="checkbox"/>
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a		<input checked="" type="checkbox"/>
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b		<input checked="" type="checkbox"/>
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	N/A	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A	
c	Dues, assessments, and similar amounts from members	85c	N/A	
d	Section 162(e) lobbying and political expenditures	85d	N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A	
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		<input checked="" type="checkbox"/>
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="text" value="0"/> , section 4912 <input type="text" value="0"/> , section 4955 <input type="text" value="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		<input checked="" type="checkbox"/>
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="text" value="0"/> .			
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <input type="text" value="0"/> .			
90 a	List the states with which a copy of this return is filed <input type="text" value="SEE STATEMENT"/>			
b	Number of employees employed in the pay period that includes March 12, 2005	90b		<input type="text" value="49"/>
91 a	The books are in care of <input type="text" value="THE FOUNDATION"/> Telephone no <input type="text" value="(703) 321-8510"/> Located at <input type="text" value="8001 BRADDOCK RD., SPRINGFIELD, VA"/> ZIP + 4 <input type="text" value="22160"/>			
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 <input type="text" value="N/A"/> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b		<input checked="" type="checkbox"/>
c	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 <input type="text" value="N/A"/>	91c		<input checked="" type="checkbox"/>
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="text" value="N/A"/>	92		

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a COURT AWARDED FEES					
b & EXPENSES					443,456.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	255,655.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	62,847.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	372,717.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a REIMB & P/R TAX REFUNDS			01	18,105.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		709,324.	443,456.
105 Total (add line 104, columns (B), (D), and (E))					1,152,780.

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)
▼	SEE STATEMENT

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

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

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: *Mark A. Mix* Date: 8/14/06 Type or print name and title: MARK A. MIX, PRESIDENT

Preparer's signature: *Dave Johnson* Date: 8/14/06 Check if self-employed: Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: GOODMAN & COMPANY, LLP
1430 SPRING HILL RD., STE 300
MCLEAN, VA 22102

EIN: _____ Phone no: 703-970-0400

Form 990 (2005)

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 **NATIONAL RIGHT TO WORK LEGAL DEFENSE AND EDUCATION FOUNDATION, INC. (SEE STMT)** Employer identification number **59 1588825**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
B. CAMERON SPRINGFIELD, VA	STAFF ATTORNE 40	130,392.	31,244.	0.
G. TAUBMAN SPRINGFIELD, VA	STAFF ATTORNE 40	133,535.	29,903.	0.
M. CHAPPELL SPRINGFIELD, VA	STAFF ATTORNE 40	129,471.	33,377.	0.
R. CLAIR SPRINGFIELD, VA	CORP COUNSEL 40	122,712.	28,429.	0.
J. SCULLY SPRINGFIELD, VA	STAFF ATTORNE 40	106,256.	28,703.	0.
Total number of other employees paid over \$50,000	▶ 15			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms) If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
STEPHEN CLOUSE & ASSOCIATES, INC. ASHBURN, VA	FUNDRAISING COUNSEL	309,872.
STEPTOE & JOHNSON, LLP PHOENIX, AZ	LEGAL	54,836.
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 page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
ADVANCED MAILING SERVICES WOODBRIDGE, VA	PRINTING & MAILING	373,244.
M&H LISTS FAIRFAX, VA	LIST RENTAL	140,045.
MARKET COMMUNICATIONS SERVICES SAN FRANCISCO, CA	RADIO AD CAMPAIGN	98,688.
CHROMA GRAPHICS BOWIE, MD	PUBLISHING & MAILING	77,885.
COMMONWEALTH MAILING SYS RICHMOND, VA	PRINTING & MAILING	66,765.
Total number of other contractors receiving over \$50,000 for other services	▶ 0	

NATIONAL RIGHT TO WORK LEGAL DEFENSE

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities $\$$ _____ $\$$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) SEE STATEMENT		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE STATEMENT	X	
e Transfer of any part of its income or assets?		X
3 a 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)		X
b Do you have a section 403(b) annuity plan for your employees? SEE STATEMENT		X
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the 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 \blacktriangleright _____
- 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) sections 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 \blacktriangleright Type 1 Type 2 Type 3

Provide the following information about the supported organizations (See page 6 of the 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 page 6 of the instructions)

NATIONAL RIGHT TO WORK LEGAL DEFENSE

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.)	4,773,180.	5,163,260.	6,020,478.	6,275,494.	22,232,412.
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					
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	203,257.	276,446.	252,992.	434,224.	1,166,919.
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	497,488.	363,158.	SEE STATEMENT 597,727.	159,961.	1,618,334.
23 Total of lines 15 through 22	5,473,925.	5,802,864.	6,871,197.	6,869,679.	25,017,665.
24 Line 23 minus line 17	5,473,925.	5,802,864.	6,871,197.	6,869,679.	25,017,665.
25 Enter 1% of line 23	54,739.	58,029.	68,712.	68,697.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 500,353.
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 0.
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c 25,017,665.
d Add Amounts from column (e) for lines 18 1,166,919. 19 _____ 22 1,618,334. 26b _____					26d 2,785,253.
e Public support (line 26c minus line 26d total)					26e 22,232,412.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 88.8669%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year	(2004) N/A	(2003) N/A	(2002) N/A	(2001) N/A	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 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) N/A	(2003) N/A	(2002) N/A	(2001) N/A	
c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test Enter amount on line 23, column (e)			27f N/A		
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

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

NATIONAL RIGHT TO WORK LEGAL DEFENSE

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

N/A

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

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain. (If you need more space, attach a separate statement)		
<hr/> <hr/> <hr/>			
32	Does the organization maintain the following.		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement)	32d	
<hr/> <hr/>			
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	
<hr/> <hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

NATIONAL RIGHT TO WORK LEGAL DEFENSE

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

N/A

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

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

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred)			
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table -		
	If the amount on line 40 is -		
	The lobbying nontaxable amount is -		
	Not over \$500,000	20% of the amount on line 40	}
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
	Over \$17,000,000	\$1,000,000	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A (e) Total
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	Grassroots lobbying expenditures				0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	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.)			0.

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

NATIONAL RIGHT TO WORK LEGAL DEFENSE

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable

Exempt Organizations (See page 12 of the instructions.)

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

- a** Transfers from the reporting organization to a noncharitable exempt organization of
 - (i) Cash
 - (ii) Other assets
- b** Other transactions
 - (i) Sales or exchanges of assets with a noncharitable exempt organization
 - (ii) Purchases of assets from a noncharitable exempt organization
 - (iii) Rental of facilities, equipment, or other assets
 - (iv) Reimbursement arrangements
 - (v) Loans or loan guarantees
 - (vi) Performance of services or membership or fundraising solicitations
- c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c	X	

SEE C & D BELOW

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.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
C	621,015.	NATIONAL RIGHT TO WORK COMMITTEE	VALUE FROM THE COMMITTEE TO THE FOUNDATION
C	621,015.	NATIONAL RIGHT TO WORK COMMITTEE	VALUE FROM THE FOUNDATION TO THE COMMITTEE

			BOTH OF THE ABOVE REPRESENT ALLOCATIONS OF SHARED COSTS BETWEEN THE TWO ENTITIES BASED ON PERSONNEL TIME AND USE OF EQUIPMENT

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
NATIONAL RIGHT TO WORK COMMITTEE	501(C)(4)	THE ORGANIZATIONS ARE RELATED BY SOME COMMON DIRECTORS AND OFFICERS, AND BY THE SHARING OF FACILITIES, EQUIPMENT, AND PAID PERSONNEL

NATIONAL RIGHT TO WORK LEGAL DEFENSE
AND EDUCATION FOUNDATION, INC

ID# 59-1588825

December 31, 2005
FORM 990 and FORM 990 SCHEDULE A

Form 990, Item C, Name of Organization

"AKA" National Right to Work Legal Defense Foundation, Inc

Form 990, Part I, Line 8, Sale of assets

Investments

Proceeds	Basis	Gain (Loss)
3,388,195	3,015,478	372,717

Form 990, Part I, Line 20, Other changes in net assets

Current year unrealized gain on marketable securities (SFAS 124)

17,054

17,054

Form 990, Part II, Line 42, Depreciation, depletion, etc. & Part IV, Line 57, Depreciable assets

	Method	Life	Cost	Accumulated Depreciation	2005 Depreciation
Furniture & equipment	SL	3 - 10 years	490,074	425,835	15,967
Computer equipment	SL	3 years	131,561	110,570	12,256
Leasehold improvements	SL	various	81,357	81,357	16
Transportation equipment	SL	3 years	24,000	6,000	4,800
			726,992	623,762	33,039

Form 990, Part II, Line 43, Other expenses

	Total	Program Services	Management & General	Fundraising
Other Litigation Costs	200,127	200,127	-	-
Legal Information Services & Institutional Advertising	546,285	546,285	-	-
Computer Costs	34,682	5,524	-	29,158
Contributor Mailing Lists	180,920	4,214	-	176,706
Professional Services & Other Operating Costs	126,009	17,059	29,210	79,740
Financial service costs	142,275	103,066	21,075	18,134
	1,230,298	876,275	50,285	303,738

Form 990, Part III, Statement of Program Service Accomplishments

Statement of primary exempt purpose

Legal defense of workers suffering abuses of compulsory unionism arrangements

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Form 990, Part III, Statement of Program Service Accomplishments (continued)

Program achievements

a. The Foundation provides legal assistance to workers suffering from abuses of compulsory unionism arrangements in hundreds of cases nationwide

b. The Foundation conducts a program of informing workers, Foundation supporters, and the public of workers' rights to be free from abuses of compulsory unionism arrangements and of legal recourse available to workers to secure such rights

c. The Foundation conducts an educational program, including publications and sponsoring discussion groups, forums, panels, and lectures, and may provide educational aid through scholarships, grants, or other forms of financial assistance to needy or meritorious students, particularly those who require assistance because their parents' jobs or job opportunities have been curtailed or denied as a result of compulsory unionism, and students who have demonstrated an active interest in defending human and civil rights secured by law

Form 990, Part IV, Line 55a, Investments-land, buildings, and equipment:

	<u>2005</u>
Land	<u>430,000</u>

Form 990, Part IV, Line 54, Investment Securities, at fair market value

	<u>2005</u>
Certificates of Deposit	4,375
Mutual fund	1,509,563
Corporate bonds	2,647,465
Equity securities	5,294,190
U.S. Government securities	131,495
Less amounts classified under restricted assets	<u>(358,437)</u>
Total	<u>9,228,651</u>

**Form 990, Part IV, Line 58, Other Assets,
at fair market value**

	<u>2005</u>
Restricted assets	<u>358,437</u>

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Form 990, Part V-A, List of Officers, Directors, Trustees and Key Employees

Name & Address	Title(s) & Average Hours	Compensation	Contrib to Benefit Plans	Expenses/ Allowances
G Steven Allen Salt Lake City, UT	Trustee 1 hour	-0-	-0-	-0-
Steve Antosh Fairfax, VA	Trustee 1 hour	-0-	-0-	-0-
J. Robert Brame III Charlottesville, VA	Trustee (to 4/05) 1 hour	-0-	-0-	-0-
Mrs. Eva Lynne Disbro Collegedale, TN	Trustee 1 hour	-0-	-0-	-0-
Lewis Fetterman Clinton, NC	Trustee 1 hour	-0-	-0-	-0-
Dr Frederick Fowler III Knoxville, TN	Trustee/Chairman 2 hours	-0-	-0-	-0-
Robert M Gaylord, Jr Rockford, IL	Trustee 1 hour	-0-	-0-	-0-
Mrs Ethelmae C Humphreys Joplin, MO	Trustee 2 hours	-0-	-0-	-0-
Bruce H. Jacobs Anacortes, WA	Trustee 1 hour	-0-	-0-	-0-
Reed E. Larson Springfield, VA	Trustee/Treasurer 10 hours	104,291*	35,469	-0-
Mrs. Norma Lineberger Fullerton, CA	Trustee 2 hours	-0-	-0-	-0-
Mark A Mix Springfield, VA	Trustee/President 20 hours	77,298	-0-	1,320
Duncan Scott Kalispell, MT	Trustee/Vice Chairman 2 hours	-0-	-0-	-0-
Charles R. Seno Linthicum, MD	Trustee 1 hour	-0-	-0-	-0-
Victor Senese Palm-Beach-Gardens, FL	Trustee (from 4/05) 1 hour	-0-	-0-	-0-
Kirk Shelley Oklahoma City, OK	Trustee (from 4/05) 1 hour	-0-	-0-	-0-

* Includes accrued annual leave payout of \$49,104

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FORM 990 and FORM 990 SCHEDULE A

Form 990, Part V-A, List of Officers, Directors, Trustees and Key Employees (continued)

Stefan H Gleason Springfield, VA	Vice Pres/Asst Treas 40 hours	85,620	30,030	-0-
Raymond J LaJeunesse, Jr Springfield, VA	V P./Sec & Legal Dir 40 hours	134,188	41,489	-0-
Virginia A Smith Springfield, VA	Secretary (to 4/05) 40 hours **	46,350	17,708	-0-

** A portion of this employee's time and expense was allocated to the National Right to Work Committee and the National Institute for Labor Relations Research pursuant to a cost-sharing arrangement. The above figures represent the net to the Foundation. See also Form 990, Schedule A, Part VII.

Form 990, Part VI, Line 90(a)

AK, AL, AR, AZ, CT, FL, GA, IL, KY, MA, MD, ME, MI, MN, MS, ND, NJ, NM, NC, NY, OH, OK, OR,
PA, RI, SC, TN, UT, WA, WV

Form 990, Part VIII, Line 93(a) and (b)

This revenue results from the Foundation's exempt purpose program of providing legal assistance to workers suffering from abuses of compulsory unionism arrangements when those Foundation-assisted workers are prevailing parties in litigation. It serves to punish and deter such abuses and is paid by opposing parties.

Form 990, Schedule A, Part III, Line 2

The question is ambiguous. The Board of Trustees of the Foundation is composed of active, public spirited individuals in many walks of life who have varying degrees of affiliation and involvement with other organizations. We do not know whether under some circumstances an organization or corporation with which a trustee or officer is affiliated may have engaged in activity listed under question 2. If there were some engagement, it would have been in the ordinary course of business and for not less than fair market value.

Form 990, Schedule A, Part III, Line 2(d)

In order to have active participation and full attendance from all members of the Board, including working men and women with limited resources, if requested by a member, the member is reimbursed for expenses of attending meetings of the Board. See also Part V of Form 990.

Form 990, Schedule A, Part III, Line 3(b)

The question is ambiguous. The Foundation does not maintain or fund any 403(b) plan, however, it permits its employees, on a totally voluntary basis, to fund 403(b) accounts of their choosing through salary reduction arrangements.

Form 990, Schedule A, Part IV, Line 22, Other Income

	2004	2003	2002	2001
Court awarded fees & expenses	497,488	363,158	597,727	159,961

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Form 990, Part V-A, Line 75c, Compensation From Related Organizations

The following organizations are related by the sharing of some officers, directors, facilities, and paid personnel

Organization The National Right to Work Committee (EIN 51-0147724)

<u>Name</u>	<u>Compensation</u>	<u>Contrib to Benefit Plans</u>	<u>Expenses/ Allowances</u>
Reed E Larson	53,683*	21,584	-0-
Mark A Mix	58,043	26,596	-0-
Virginia A Smith	3,000	383	-0-

*Includes accrued annual leave payout of \$24,845.

Organization. National Institute for Labor Relations Research (EIN 52-1303565)

<u>Name</u>	<u>Compensation</u>	<u>Contribs to Benefit Plans</u>	<u>Expenses/ Allowances</u>
Mark A Mix	15,068	753	-0-
Virginia A. Smith	3,000	-0-	-0-

Note. Some compensation is handled through inter-company allocations The above figures reflect the post allocation net amounts attributable to each organization