

Return of Organization Exempt From Income Tax

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

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service(77)

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

A For the 2007 calendar year, or tax year beginning , 2007, and ending ,

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

C Name of organization: **Americans for Prosperity**
 Number and street (or P O box if mail is not delivered to street addr) Room/suite: **1726 M Street, NW, Tenth Floor**
 City, town or country State ZIP code + 4: **Washington DC 20036**

D Employer Identification Number: **75-3148958**

E Telephone number: **(202) 349-5880**

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) **4** (insert no) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: **3,461,193.**

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

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

1	Contributions, gifts, grants, and similar amounts received				
a	Contributions to donor advised funds	1a			
b	Direct public support (not included on line 1a)	1b	3,442,441.		
c	Indirect public support (not included on line 1a)	1c			
d	Government contributions (grants) (not included on line 1a)	1d			
e	Total (add lines 1a through 1d) (cash \$ 3,442,441. noncash \$ 0.)	1e			3,442,441.
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4			13,979.
5	Dividends and interest from securities	5			
6a	Gross rents	6a			
b	Less rental expenses	6b			
c	Net rental income or (loss). Subtract line 6b from line 6a	6c			
7	Other investment income (describe _____)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b	Less cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c			
8d					
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a			
b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less cost of goods sold	10b			
10c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10c			
11	Other revenue (from Part VII, line 103)	11			4,773.
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			3,461,193.
13	Program services (from line 44, column (B))	13			3,274,014.
14	Management and general (from line 44, column (C))	14			409,827.
15	Fundraising (from line 44, column (D))	15			493,463.
16	Payments to affiliates (attach schedule)	16			
17	Total expenses. Add lines 16 and 44, column (A)	17			4,177,304.
18	Excess or (deficit) for the year Subtract line 17 from line 12	18			-716,111.
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19			655,375.
20	Other changes in net assets or fund balances (attach explanation)	20			
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21			-60,736.

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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 (See instruct.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) (cash \$ <u>20,000.</u> non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	20,000.	20,000.		
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A See L-25a Stmt	25a	183,562.	134,314.	24,624.	24,624.
b Compensation of former officers, directors, key employees, etc listed in Part V-B	25b				
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	355,345.	319,117.	17,710.	18,518.
27 Pension plan contributions not included on lines 25a, b, and c	27	19,887.	15,728.	3,974.	185.
28 Employee benefits not included on lines 25a - 27	28	22,559.	17,022.	4,160.	1,377.
29 Payroll taxes	29	40,640.	31,883.	7,635.	1,122.
30 Professional fundraising fees	30				
31 Accounting fees	31	7,450.	0.	7,450.	0.
32 Legal fees	32	57,981.	56,863.	1,118.	0.
33 Supplies	33	117,152.	37,889.	68,877.	10,386.
34 Telephone	34	23,123.	13,479.	9,644.	0.
35 Postage and shipping	35	454,144.	290,549.	35,067.	128,528.
36 Occupancy	36	82,413.	64,025.	9,363.	9,025.
37 Equipment rental and maintenance	37				
38 Printing and publications	38	308,656.	187,275.	61,399.	59,982.
39 Travel	39	118,921.	91,708.	21,869.	5,344.
40 Conferences, conventions, and meetings	40	149,183.	146,636.	407.	2,140.
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42				
43 Other expenses not covered above (itemize)					
a <u>Communications, ads, media</u>	43a	1,038,961.	1,031,837.	7,124.	0.
b <u>Consulting</u>	43b	1,028,765.	776,218.	118,787.	133,760.
c <u>Insurance</u>	43c	6,725.	0.	6,725.	0.
d <u>List rental</u>	43d	123,646.	25,543.	3,881.	94,222.
e <u>Other operational expenses</u>	43e	9,090.	9,090.	0.	0.
f <u>Registration fees</u>	43f	6,269.	2,006.	13.	4,250.
g <u>Membership</u>	43g	2,832.	2,832.	0.	0.
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	4,177,304.	3,274,014.	409,827.	493,463.

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

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

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

What is the organization's primary exempt purpose? ▶ <u>Educate and mobilize to achieve growth, opportunity and prosp</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a State chapters and National office - mobilize citizens to acheive fiscal and regulatory restraint by state governments, and a return of the Federal government to its Constitutional limits. State chapters are located in CA, CO, FL, GA, IL, KS, MI, MO, LA, NJ, NC, ND, OH, OK, OR, SC, SD, TX, VA, WI. (Grants and allocations \$ 0.) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	3,274,014.
b (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
c (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
d (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	3,274,014.

BAA

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	955,412.	45	507,143.
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a		
	b Less. allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	1,401.	53	0.
	54a Investments – publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54a	
	b Investments – other securities (attach sch)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b	
	55a Investments – land, buildings, & equipment basis.	55a		
b Less. accumulated depreciation (attach schedule)	55b	55c		
56 Investments – other (attach schedule)		56		
57a Land, buildings, and equipment basis	57a			
b Less accumulated depreciation (attach schedule)	57b	57c		
58 Other assets, including program-related investments (describe _____)		58		
59 Total assets (must equal line 74) Add lines 45 through 58	956,813.	59	507,143.	
LIABILITIES	60 Accounts payable and accrued expenses	38,423.	60	215,170.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe See Line 65 Stmt)	263,015.	65	352,709.
66 Total liabilities. Add lines 60 through 65	301,438.	66	567,879.	
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	611,649.	67	-504,437.
	68 Temporarily restricted	43,726.	68	443,701.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	655,375.	73	-60,736.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	956,813.	74	507,143.	

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

a	Total revenue, gains, and other support per audited financial statements		a	3,470,443.
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	9,250.	
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	9,250.
c	Subtract line b from line a		c	3,461,193.
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12) Add lines c and d		e	3,461,193.

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

a	Total expenses and losses per audited financial statements		a	4,186,554.
b	Amounts included on line a but not on Part I, line 17:			
	1 Donated services and use of facilities	b1	9,250.	
	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	9,250.
c	Subtract line b from line a		c	4,177,304.
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17) Add lines c and d		e	4,177,304.

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
Michael Wigley 1726 M St, NW Washington DC 20036	Director 5.00	0.	0.	0.
Art Pope 1726 M St, NW Washington DC 20036	Director 5.00	0.	0.	0.
James C. Miller, III 1726 M St, NW Washington DC 20036	Director 5.00	0.	0.	0.
James E. Stephenson 1726 M St, NW Washington DC 20036	Director 5.00	0.	0.	0.
Michelle Korsmo 1726 M St, NW Washington DC 20036	Secretary 16.00	62,475.	0.	0.
See List of Officers, Directors, Trustees, & Key Employees Statement				

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82 b	9,250.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	X	
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	X	
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	X	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	N/A	
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members	N/A	
d	Section 162(e) lobbying and political expenditures	N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	N/A	
b	Gross receipts, included on line 12, for public use of club facilities.	N/A	
87	501(c)(12) organizations Enter: a Gross income from members or shareholders	N/A	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	N/A	
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI		X
89 a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under section 4911 N/A , section 4912 N/A ; section 4955 N/A		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	0.	
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization	0.	
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90 a	List the states with which a copy of this return is filed See States Filed In		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)		25
91 a	The books are in care of The Organization Telephone number (202) 349-5880 Located at 1726 M Street, NW, 10th Floor, Washington, DC ZIP + 4 20036		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts			

Part VI Other Information (continued)

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

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

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year **92**

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	13,979.	
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 List rental					4,773.
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				13,979.	4,773.
105 Total (add line 104, columns (B), (D), and (E))					18,752.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
103a	Rental of mailing lists to support operational and development efforts.

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

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

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

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

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

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

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

N/A	
Yes	No

106 Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

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

Yes	No

107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

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

Yes	No

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

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.

Please Sign Here

Signature of officer: Timothy R. Phillips Date: 8/6/08

Type or print name and title: Timothy R. Phillips

Paid Preparer's Use Only

Preparer's signature: [Signature]

Firm's name (or yours if self-employed), address, and ZIP + 4: Douglas Corey & Associates, 6601 Little River Trnpg, Sui Alexandria

BAA

TEEA0110

Name as Shown on Return
Americans for Prosperity

Employer Identification No
75-3148958

Compensation

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Michael Wigley	<input type="checkbox"/>	0.	0.	0.	0.
Art Pope	<input type="checkbox"/>	0.	0.	0.	0.
James C. Miller, III	<input type="checkbox"/>	0.	0.	0.	0.
James E. Stephenson	<input type="checkbox"/>	0.	0.	0.	0.
See Compensation					
Total Compensation Received		183,562.	134,314.	24,624.	24,624.

Contributions to Employee Benefit Plans & Deferred Compensation Plans

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Michael Wigley	<input type="checkbox"/>	0.			
Art Pope	<input type="checkbox"/>	0.			
James C. Miller, III	<input type="checkbox"/>	0.			
James E. Stephenson	<input type="checkbox"/>	0.			
See Employee Benefit Plans & Deferred Compensation Plans					
Total Contributions to Employee Benefit Plans & Deferred Compensation Plans		0.			

Expense Account and Other Allowances

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Michael Wigley	<input type="checkbox"/>	0.	0.	0.	0.
Art Pope	<input type="checkbox"/>	0.	0.	0.	0.
James C. Miller, III	<input type="checkbox"/>	0.	0.	0.	0.
James E. Stephenson	<input type="checkbox"/>	0.	0.	0.	0.
See Expense Account and Other Allowances					
Total Expense Account and Other Allowances		0.	0.	0.	0.
Total to Part II, Line 25a		183,562.	134,314.	24,624.	24,624.

Form 990, Page 5, Part V-A

List of Officers, Directors, Trustees, & Key Employees Statement

(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	(E) Expense account and other allowances
Business <input type="checkbox"/> Person <input checked="" type="checkbox"/> Tim Phillips 1726 M St, NW Washington DC 20036	President 10.00	60,646.	0.	0.
Business <input type="checkbox"/> Person <input checked="" type="checkbox"/> Ed Frank 1726 M St, NW Washington DC 20036	Treasurer 20.00	60,441.	0.	0.

Form 990. Part VI, Page 7, Line 90a

States Filed In

- Alabama
- Alaska
- Arizona
- California
- Colorado
- Connecticut
- District of Columbia
- Florida
- Georgia
- Illinois
- Kansas
- Kentucky
- Louisiana
- Maine
- Maryland
- Massachusetts
- Michigan
- Minnesota
- New Hampshire
- New Jersey
- New Mexico
- New York
- North Carolina
- North Dakota
- Ohio
- Oklahoma
- Oregon
- Pennsylvania
- Rhode Island
- South Carolina
- Tennessee
- Utah
- Vermont
- Washington
- West Virginia
- Wisconsin

Form 990, Part II, Line 25a

Compensation

Compensation

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Michelle Korsmo	<input type="checkbox"/>	62,475.	37,485.	12,495.	12,495.
Tim Phillips	<input type="checkbox"/>	60,646.	36,388.	12,129.	12,129.
Ed Frank	<input type="checkbox"/>	60,441.	60,441.	0.	0.
Total		<u>183,562.</u>	<u>134,314.</u>	<u>24,624.</u>	<u>24,624.</u>

Form 990, Part II, Line 25a

Employee Benefit Plans & Deferred Compensation Plans

Contributions to Employee Benefit Plans & Deferred Compensation Plans

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Michelle Korsmo	<input type="checkbox"/>	0.			
Tim Phillips	<input type="checkbox"/>	0.			
Ed Frank	<input type="checkbox"/>	0.			
Total		<u>0.</u>			

Form 990, Part II, Line 25a

Expense Account and Other Allowances

Expense Account and Other Allowances

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Michelle Korsmo	<input type="checkbox"/>	0.	0.	0.	0.
Tim Phillips	<input type="checkbox"/>	0.	0.	0.	0.
Ed Frank	<input type="checkbox"/>	0.	0.	0.	0.
Total		<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>

Form 990, Page 4, Part IV, Line 65

Other Liabilities Statement

Line 65 - Other Liabilities:	Beginning of Year	End of Year
Due to affiliate (net)	263,015.	352,709.
Total	<u>263,015.</u>	<u>352,709.</u>

Explanation Statement

Form/Line: Form 990, Part V-Aline 75cExplanation of: Receipt of Compensation from Other Companies

Americans for Prosperity (AFP) shares employees and various administrative expenses with Americans for Prosperity Foundation (AFPF), EIN 52-1527294, a 501(c)(3) organization. The entities have an understood affiliation agreement, whereby common employees allocate time spent to each entity and administrative expenses are allocated to each entity based on use. AFP reimburses AFPF for their share of the expenses or salaries paid by AFPF. Following is a schedule of compensation and benefits paid by AFPF for their share of salaries:

<u>Ed Frank</u>	<u>\$62,059</u>	<u>benefits \$5,401</u>
<u>Michelle Korsmo</u>	<u>\$96,883</u>	<u>benefits \$12,651</u>
<u>Tim Phillips</u>	<u>\$185,843</u>	<u>benefits \$17,236</u>

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only

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

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

Type or print	Name of Exempt Organization Americans for Prosperity	Employer identification number 75-3148958
File by the due date for filing your return See instructions	Number, street, and room or suite number If a P O box, see instructions. 1726 M Street, NW, Tenth Floor	
	City, town or post office, state, and ZIP code For a foreign address, see instructions Washington DC 20036	

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

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

- The books are in the care of ▶ The Organization

Telephone No. ▶ (202) 349-5880 FAX No ▶ _____

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until Aug 15, 2008, to file the exempt organization return for the organization named above.
The extension is for the organization's return for:

- ▶ calendar year 2007 or
- ▶ tax year beginning _____, 20____, and ending _____, 20____.

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	\$ 0.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	\$ 0.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	\$ 0.

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

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

Form 8868 (Rev 4-2008)