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

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

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

C Name of organization

Americans for Prosperity

D Employer Identification Number

75-3148958

E Telephone number

(703) 349-5880

F Accounting method.

X Accrual

G Web site: N/A

H (a) Is this a group return for affiliates?

X No

H (b) If "Yes," enter number of affiliates

H (c) Are all affiliates included?

X No

H (d) Is this a separate return filed by an organization covered by a group ruling?

X No

I Group Exemption Number

J Organization type (check only one)

X 501(c)

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.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 $ 650,777.

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

1 Contributions, gifts, grants, and similar amounts received

1a Direct public support $ 650,777.

1b Indirect public support

1c Government contributions (grants)

1d Total (add lines 1a through 1c) (cash $ 650,777, noncash $ )

2 Program service revenue including government fees and contracts (from Part VII, line 93)

3 Membership dues and assessments

4 Interest on savings and temporary cash investments

5 Dividends and interest from securities

6a Gross rents

6b Less: rental expenses

6c Net rental income or (loss) (subtract line 6b from line 6a)

7 Other investment income (describe )

8 Gross receipts from disposal of assets other than inventory

8a (A) Securities

8b (B) Other

8c Gain or (loss) (describe )

8d Net gain or (loss) (combine line 8c, columns (A) and (B))

9 Special events and fund drives (attach schedule). If any amount is from gaming, check here □

9a Gross receipts (including $ of contributions reported on line 1a)

9b Less: direct expenses other than fundraising expenses

9c Net income or (loss) from special events (subtract line 9b from line 9a)

10a Gross sales of inventory, less returns and allowances

10b Less: cost of goods sold

10c Gross profit (or loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)

11 Other revenue (from Part VII, line 103)

12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)

13 Program services (from line 44, column (B))

14 Management and general (from line 44, column (C))

15 Fundraising (from line 44, column (D))

16 Payments to affiliates (attach schedule)

17 Total expenses (add lines 16 and 44, column (A))

18 Excess or (deficit) for the year (subtract line 17 from line 12)

19 Net assets or fund balances at beginning of year (from line 73, column (A))

20 Other changes in net assets or fund balances (attach explanation)

21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.
### 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.

<table>
<thead>
<tr>
<th>Do not include amounts reported on line 6a, 8b, 9b, 10b, or 16 of Part I</th>
<th>(A) Total</th>
<th>(B) Program services</th>
<th>(C) Management and general</th>
<th>(D) Fundraising</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 Grants and allocations (all sch)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(cash $</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>non-cash $</td>
<td>22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If this amount includes foreign grants, check here ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23 Specific assistance to individuals (all sch)</td>
<td>23</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24 Benefits paid to or for members (all sch)</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25 Compensation of officers, directors, etc</td>
<td>25</td>
<td>2,135.</td>
<td>0.</td>
<td>2,135.</td>
</tr>
<tr>
<td>26 Other salaries and wages</td>
<td>26</td>
<td>105,730.</td>
<td>84,886.</td>
<td>18,932.</td>
</tr>
<tr>
<td>27 Pension plan contributions</td>
<td>27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28 Other employee benefits</td>
<td>28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29 Payroll taxes</td>
<td>29</td>
<td>6,765.</td>
<td>4,937.</td>
<td>1,739.</td>
</tr>
<tr>
<td>30 Professional fundraising fees</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 Accounting fees</td>
<td>31</td>
<td>5,167.</td>
<td>0.</td>
<td>5,167.</td>
</tr>
<tr>
<td>32 Legal fees</td>
<td>32</td>
<td>23,669.</td>
<td>11,450.</td>
<td>11,515.</td>
</tr>
<tr>
<td>33 Supplies</td>
<td>33</td>
<td>1,633.</td>
<td>542.</td>
<td>931.</td>
</tr>
<tr>
<td>34 Telephone</td>
<td>34</td>
<td>4,271.</td>
<td>3,816.</td>
<td>110.</td>
</tr>
<tr>
<td>35 Postage and shipping</td>
<td>35</td>
<td>119,428.</td>
<td>95,350.</td>
<td>660.</td>
</tr>
<tr>
<td>36 Occupancy</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>37 Equipment rental and maintenance</td>
<td>37</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38 Printing and publications</td>
<td>38</td>
<td>46,618.</td>
<td>37,411.</td>
<td>316.</td>
</tr>
<tr>
<td>39 Travel</td>
<td>39</td>
<td>2,356.</td>
<td>12.</td>
<td>2,341.</td>
</tr>
<tr>
<td>40 Conferences, conventions, and meetings</td>
<td>40</td>
<td>10,897.</td>
<td>10,897.</td>
<td>0.</td>
</tr>
<tr>
<td>41 Interest</td>
<td>41</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>42 Depreciation, depletion, etc (attach schedule)</td>
<td>42</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>43 Other expenses not covered above (itemize)</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a Communications, ads, media</td>
<td>43a</td>
<td>40,488.</td>
<td>40,488.</td>
<td>0.</td>
</tr>
<tr>
<td>b Consulting</td>
<td>43b</td>
<td>130,179.</td>
<td>106,316.</td>
<td>2,905.</td>
</tr>
<tr>
<td>c Insurance</td>
<td>43c</td>
<td>2,845.</td>
<td>2,460.</td>
<td>385.</td>
</tr>
<tr>
<td>d List rental</td>
<td>43d</td>
<td>6,074.</td>
<td>4,874.</td>
<td>0.</td>
</tr>
<tr>
<td>e Other operational expenses</td>
<td>43e</td>
<td>2,249.</td>
<td>1,697.</td>
<td>420.</td>
</tr>
<tr>
<td>f Registration fees</td>
<td>43f</td>
<td>3,320.</td>
<td>2,376.</td>
<td>350.</td>
</tr>
<tr>
<td>44 Total functional expenses Add lines 22 through 43 (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)</td>
<td>44</td>
<td>513,824.</td>
<td>407,612.</td>
<td>47,906.</td>
</tr>
</tbody>
</table>

**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 $ 291,531. (ii) the amount allocated to Program services $ 233,224. (iii) the amount allocated to Management and general $ 0. and (iv) the amount allocated to Fundraising $ 58,306.
Form 990 (2005)  Americans for Prosperity  75-3148958  Page 3

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.

Program Service Expenses

(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)

<table>
<thead>
<tr>
<th>What is the organization’s primary exempt purpose?</th>
<th>Program Service Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educate and mobilize to achieve growth, opportunity, and prosperity through government restraint and private sector productivity and competition. State chapters are located in North Carolina, Kansas, Texas, Oklahoma, Wisconsin, Colorado, and Virginia.</td>
<td>407,612.</td>
</tr>
</tbody>
</table>

(Grants and allocations $0.) If this amount includes foreign grants, check here □

| a State chapters and National office - Educate and mobilize citizens to achieve greater economic growth, opportunity, and prosperity through government restraint and private sector productivity and competition. State chapters are located in North Carolina, Kansas, Texas, Oklahoma, Wisconsin, Colorado, and Virginia. | 407,612. |

(Grants and allocations $0.) If this amount includes foreign grants, check here □

| b | |

| c | |

| d | |

| e Other program services |  |

(Grants and allocations $0.) If this amount includes foreign grants, check here □

| f Total of Program Service Expenses (should equal line 44, column (B), Program services) | 407,612. |

BAA

Form 990 (2005)
### 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.

<table>
<thead>
<tr>
<th>Item</th>
<th>(A) Beginning of year</th>
<th>(B) End of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>Cash - non-interest-bearing</td>
<td>116,654.45</td>
</tr>
<tr>
<td>46</td>
<td>Savings and temporary cash investments</td>
<td>46</td>
</tr>
<tr>
<td>47a</td>
<td>Accounts receivable</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Less allowance for doubtful accounts</td>
<td>47c</td>
</tr>
<tr>
<td>48a</td>
<td>Pledges receivable</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Less allowance for doubtful accounts</td>
<td>48c</td>
</tr>
<tr>
<td>49</td>
<td>Grants receivable</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>Receivables from officers, directors, trustees, and key employees (attach schedule)</td>
<td>50</td>
</tr>
<tr>
<td>51a</td>
<td>Other notes &amp; loans receivable (attach sch)</td>
<td>51a</td>
</tr>
<tr>
<td>b</td>
<td>Less allowance for doubtful accounts</td>
<td>51c</td>
</tr>
<tr>
<td>52</td>
<td>Inventories for sale or use</td>
<td>52</td>
</tr>
<tr>
<td>53</td>
<td>Prepaid expenses and deferred charges</td>
<td>3,458.53</td>
</tr>
<tr>
<td>54</td>
<td>Investments - securities (attach schedule)</td>
<td>54</td>
</tr>
<tr>
<td>55a</td>
<td>Investments - land, buildings, &amp; equipment basis</td>
<td>55a</td>
</tr>
<tr>
<td>b</td>
<td>Less accumulated depreciation (attach schedule)</td>
<td>55c</td>
</tr>
<tr>
<td>56</td>
<td>Investments - other (attach schedule)</td>
<td>56</td>
</tr>
<tr>
<td>57a</td>
<td>Land, buildings, and equipment basis</td>
<td>57a</td>
</tr>
<tr>
<td>b</td>
<td>Less accumulated depreciation (attach schedule)</td>
<td>57c</td>
</tr>
<tr>
<td>58</td>
<td>Other assets (describe)</td>
<td></td>
</tr>
<tr>
<td>59</td>
<td>Total assets (must equal line 74) Add lines 45 through 58</td>
<td>120,112.59</td>
</tr>
<tr>
<td>60</td>
<td>Accounts payable and accrued expenses</td>
<td>809.60</td>
</tr>
<tr>
<td>61</td>
<td>Grants payable</td>
<td>61</td>
</tr>
<tr>
<td>62</td>
<td>Deferred revenue</td>
<td>62</td>
</tr>
<tr>
<td>63</td>
<td>Loans from officers, directors, trustees, and key employees (attach schedule)</td>
<td>63</td>
</tr>
<tr>
<td>64a</td>
<td>Tax-exempt bond liabilities (attach schedule)</td>
<td>64a</td>
</tr>
<tr>
<td>b</td>
<td>Mortgages and other notes payable (attach schedule)</td>
<td>64b</td>
</tr>
<tr>
<td>65</td>
<td>Other liabilities (describe See Line 65 Stmt)</td>
<td>162,064.65</td>
</tr>
<tr>
<td>66</td>
<td>Total liabilities. Add lines 60 through 65</td>
<td>162,873.66</td>
</tr>
</tbody>
</table>

#### Organizations that follow SFAS 117, check here \[X\] and complete lines 67 through 69 and lines 73 and 74

- 67 Unrestricted: -43,104.67
- 68 Temporarily restricted: 343.68
- 69 Permanently restricted: 69

#### Organizations that do not follow SFAS 117, check here and complete lines 70 through 74

- 70 Capital stock, trust principal, or current funds: 70
- 71 Paid-in or capital surplus, or land, building, and equipment fund: 71
- 72 Retained earnings, endowment, accumulated income, or other funds: 72

<table>
<thead>
<tr>
<th>Item (B)</th>
<th>End of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>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)</td>
<td>-42,761.73</td>
</tr>
<tr>
<td>74 Total liabilities and net assets/fund balances. Add lines 66 and 73</td>
<td>120,112.74</td>
</tr>
</tbody>
</table>
**Part IV-A: Reconciliation of Revenue per Audited Financial Statements with Revenue per Return**

- **a** Total revenue, gains, and other support per audited financial statements
  - b1 Net unrealized gains on investments
  - b2 Donated services and use of facilities
  - b3 Recoveries of prior year grants
  - b4 Other (specify)
  
  Add lines b1 through b4: $650,777

- **b** Amounts included on line a but not on Part I, line 12
  - d1 Investment expenses not included on Part I, line 6b
  - d2 Other (specify)
  
  Add lines d1 and d2: $650,777

- **c** Subtract line b from line a
  
  c \(=\) a - b = $650,777

- **d** Amounts included on Part I, line 12, but not on line a:
  - d1 Investment expenses not included on Part I, line 6b
  - d2 Other (specify)
  
  Add lines d1 and d2: $650,777

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

- **a** Total expenses and losses per audited financial statements
  
  a \(=\) 513,824

- **b** Amounts included on line a but not on Part I, line 17
  - b1 Donated services and use of facilities
  - b2 Prior year adjustments reported on Part I, line 20
  - b3 Losses reported on Part I, line 20
  - b4 Other (specify)
  
  Add lines b1 through b4: $513,824

- **c** Subtract line b from line a
  
  c \(=\) a - b = 513,824

- **d** Amounts included on Part I, line 17, but not on line a:
  - d1 Investment expenses not included on Part I, line 6b
  - d2 Other (specify)
  
  Add lines d1 and d2: 513,824

**Part V-A: Current Officers, Directors, Trustees, and Key Employees**

<table>
<thead>
<tr>
<th>(A) Name and address</th>
<th>(B) Title and average hours per week devoted to position</th>
<th>(C) Compensation (if not paid, enter 0)</th>
<th>(D) Contributions to employee benefit plans and deferred compensation plans</th>
<th>(E) Expense account and other allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Michael Wigley</strong></td>
<td>Director</td>
<td>5</td>
<td>0.</td>
<td>0.</td>
</tr>
<tr>
<td>1726 M St., NW</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington, DC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Art Pope</strong></td>
<td>Director</td>
<td>5</td>
<td>0.</td>
<td>0.</td>
</tr>
<tr>
<td>1726 M St., NW</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington, DC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>James C. Miller, III</strong></td>
<td>Director</td>
<td>5</td>
<td>0.</td>
<td>0.</td>
</tr>
<tr>
<td>1726 M St., NW</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington, DC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Arianne Massey</strong></td>
<td>Treasurer</td>
<td>5</td>
<td>2,135.</td>
<td>0.</td>
</tr>
<tr>
<td>1726 M St., NW</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington, DC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Nancy Pfotenhauer</strong></td>
<td>President</td>
<td></td>
<td></td>
<td>0.</td>
</tr>
<tr>
<td>1726 M St., NW</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington, DC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Michelle Korsmo</strong></td>
<td>Exec VP</td>
<td></td>
<td></td>
<td>0.</td>
</tr>
<tr>
<td>1726 M St., NW</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington, DC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Part V-A  Current Officers, Directors, Trustees, and Key Employees (continued)

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business as board meetings ▶ 3 ▶

b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If “Yes,” attach a statement that identifies the individuals and explains the relationship(s)

75b X

75c X

Note. 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

75d X

d Does the organization have a written conflict of interest policy?

Part V-B  Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column See the instructions)

<table>
<thead>
<tr>
<th>(A) Name and address</th>
<th>(B) Loans and Advances</th>
<th>(C) Compensation</th>
<th>(D) Contributions to employee benefit plans and deferred compensation plans</th>
<th>(E) Expense account and other allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Part VI  Other Information (See the instructions)

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity

76 X

77 Were any changes made in the organizing or governing documents but not reported to the IRS?

77 X

If "Yes," attach a conforming copy of the changes

78a Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?

78a X

78b If "Yes," has it filed a tax return on Form 990-T for this year?

78b X

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement

79 X

80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?

80a X

b If "Yes," enter the name of the organization and check whether it is exempt or nonexempt

81a Enter direct and indirect political expenditures (See line 81 instructions)

81a X

81b Did the organization file Form 1120-POL for this year?

81b X

BAA

Form 990 (2005)
Part VI | Other Information (continued)

<table>
<thead>
<tr>
<th>82a 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?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>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)</td>
<td>82b</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>83a Did the organization comply with the public inspection requirements for returns and exemption applications?</th>
<th>83a</th>
</tr>
</thead>
<tbody>
<tr>
<td>b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?</td>
<td>83b</td>
</tr>
<tr>
<td>84a Did the organization solicit any contributions or gifts that were not tax deductible?</td>
<td>84a</td>
</tr>
<tr>
<td>b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?</td>
<td>84b</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?</th>
<th>85a</th>
</tr>
</thead>
<tbody>
<tr>
<td>b Did the organization make only in-house lobbying expenditures of $2,000 or less?</td>
<td>85b</td>
</tr>
<tr>
<td>c Dues, assessments, and similar amounts from members</td>
<td>85c</td>
</tr>
<tr>
<td>d Section 162(e) lobbying and political expenditures</td>
<td>85d</td>
</tr>
<tr>
<td>e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices</td>
<td>85e</td>
</tr>
<tr>
<td>f Taxable amount of lobbying and political expenditures (line 85d less 85e)</td>
<td>85f</td>
</tr>
<tr>
<td>g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?</td>
<td>85g</td>
</tr>
<tr>
<td>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?</td>
<td>85h</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>86 501(c)(7) organizations. Enter a Initiation fees and capital contributions included on line 12</th>
<th>86a</th>
</tr>
</thead>
<tbody>
<tr>
<td>b Gross receipts, included on line 12, for public use of club facilities</td>
<td>86b</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>87 501(c)(12) organizations. Enter a Gross income from members or shareholders</th>
<th>87a</th>
</tr>
</thead>
<tbody>
<tr>
<td>b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)</td>
<td>87b</td>
</tr>
</tbody>
</table>

| 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? | 88 |

<table>
<thead>
<tr>
<th>89a 501(c)(3) organizations. Enter a Amount of tax imposed on the organization during the year under section 4911</th>
<th>89a</th>
</tr>
</thead>
<tbody>
<tr>
<td>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?</td>
<td>89b</td>
</tr>
<tr>
<td>c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958</td>
<td>89c</td>
</tr>
<tr>
<td>d Enter Amount of tax on line 89c, above, reimbursed by the organization</td>
<td>89d</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>90a List the states with which a copy of this return is filed a All except AL, CO, DE, HI, ID, IN, IA, MT, NE, NV, SD, TX, UT, WY</th>
<th>90a</th>
</tr>
</thead>
<tbody>
<tr>
<td>b Number of employees employed in the pay period that includes March 12, 2005 (See instructions)</td>
<td>90b</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>91a 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</th>
<th>91a</th>
</tr>
</thead>
<tbody>
<tr>
<td>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)?</td>
<td>91b</td>
</tr>
<tr>
<td>c At any time during the calendar year, did the organization maintain an office outside of the United States?</td>
<td>91c</td>
</tr>
</tbody>
</table>

| 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 |

BAA

Form 990 (2005)

TEE0107 02/03/06
### Part VII | Analysis of Income-Producing Activities (See the instructions.)

<table>
<thead>
<tr>
<th>Note: Enter gross amounts unless otherwise indicated</th>
<th>Unrelated business income</th>
<th>Excluded by section 512, 513, or 514</th>
<th>Related or exempt function income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(A) Business code</td>
<td>(B) Amount</td>
<td>(C) Exclusion code</td>
</tr>
<tr>
<td>93 Program service revenue: a</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f Medicare/Medicaid payments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g Fees &amp; contracts from government agencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>94 Membership dues and assessments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>95 Interest on savings &amp; temporary cash invmts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>96 Dividends &amp; interest from securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>97 Net rental income or (loss) from real estate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a debt-financed property</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b not debt-financed property</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>98 Net rental income or (loss) from pers prop</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>99 Other investment income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100 Gain or (loss) from sales of assets other than inventory</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>101 Net income or (loss) from special events</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102 Gross profit or (loss) from sales of inventory</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103 Other revenue: a</td>
<td></td>
<td></td>
<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>104 Subtotal (add columns (B), (D), and (E))</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>105 Total (add line 104, columns (B), (D), and (E))</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Line 105 plus line 1a, 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.)

<table>
<thead>
<tr>
<th>Line No.</th>
<th>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)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Name, address, and EIN of corporation, partnership, or disregarded entity</th>
<th>Percentage of ownership interest</th>
<th>Nature of activities</th>
<th>Total income</th>
<th>End-of-year assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

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

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. A declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Signature of officer**

**Executive Vice President Michelle K. Kassim**

**Type or print name and title**

**Date**

5/21/06

**Preparer's signature**

**Preparer's number (or yours if self-employed), address, and zip + 4**

Douglas Corey & Associates, PC

6601 Little River Trnpk, Suite 440

Alexandria, VA 22312

EIN

**Phone no.**

Form 990 (2005)
Other Liabilities Statement

<table>
<thead>
<tr>
<th>Line 65 - Other Liabilities:</th>
<th>Beginning of Year</th>
<th>End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to affiliate (net)</td>
<td>162,064.</td>
<td>158,609.</td>
</tr>
<tr>
<td>Total</td>
<td>162,064.</td>
<td>158,609.</td>
</tr>
</tbody>
</table>

Explanation Statement

Form/Line: Form 990, Part V-A line 75c
Explanation of: Receipt of Compensation from Other Companies

American's for Prosperity shares employees and various administrative expenses with American's for Prosperity Foundation, 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. Americans for Prosperity reimburses American's for Prosperity Foundation for their share of the expenses or salaries paid by American's for Prosperity Foundation. Following is a schedule of compensation paid by American's for Prosperity Foundation for their share of salaries:

<table>
<thead>
<tr>
<th>Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arianne Massey</td>
<td>$43,726</td>
</tr>
<tr>
<td>Michelle Korsmo</td>
<td>$169,132</td>
</tr>
<tr>
<td>Nancy Pfotenhauer</td>
<td>$101,346</td>
</tr>
</tbody>
</table>
**Application for Extension of Time to File an Exempt Organization Return**

- **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)

**Part I**

**Automatic 3-Month Extension of Time** — Only submit original (no copies needed)

- **Form 990-T corporations** requesting an automatic 6-month extension — check this box and complete Part I only
  - All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns
  - Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

**Electronic Filing (e-file).** Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6-months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/file

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

- **Check type of return to be filed** (file a separate application for each return):
  - [x] Form 990
  - Form 990-BL
  - Form 990-EZ
  - Form 990-PF

- 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 Form 990-T corporation) extension of time until **Aug 15 ____, 20 ____.**

- to file the exempt organization return for the organization named above. The extension is for the organization’s return for:
  - [x] calendar year **20__**
  - [ ] 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 $ 0.

**3b** 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 $ 0.

**3c** 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 $ 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 12-2004)