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Return of Organization Exempt from Income Tax

2001

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

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

A For the 2001 calendar year, or tax year beginning 2001, and ending 20

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. Please use IRS label or print or type. See specific instructions. The American Prospect, Inc, 5 Broad Street, Boston, MA 02109. D Employer Identification Number 52-1617061. E Telephone number 617-570-8030. 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. 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: 501(c) 3 (insert no) 4947(a)(1) or 527

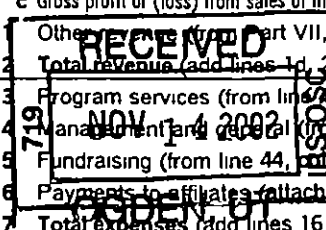
K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return. I Enter 4-digit group GEN. M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 3,525,434

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

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, Total. Includes lines 1-21 for revenue, expenses, and net assets. Total revenue is 3,522,944 and total expenses is 4,812,123, resulting in a deficit of 1,289,179.

SCANNED NOV 21 2002



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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (att sch) (cash \$ _____ non cash \$ _____)				
23	Specific assistance to individuals (att sch)				
24	Benefits paid to or for members (att sch)				
25	Compensation of officers, directors, etc	101,246	91,122	5,062	5,062
26	Other salaries and wages	1,294,121	1,056,022	186,867	51,232
27	Pension plan contributions				
28	Other employee benefits	83,928	68,997	11,545	3,386
29	Payroll taxes	117,565	96,652	16,170	4,743
30	Professional fundraising fees				
31	Accounting fees	16,881		16,881	
32	Legal fees	6,267		6,267	
33	Supplies	5,804	5,740		64
34	Telephone	54,939	46,977	6,156	1,806
35	Postage and shipping	611,988	599,892	11,033	1,063
36	Occupancy	243,812	201,477	32,734	9,601
37	Equipment rental and maintenance	22,745	18,698	3,129	918
38	Printing and publications	867,674	867,674		
39	Travel	102,346	79,036	9,108	14,202
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	47,664	39,185	6,556	1,923
43	Other expenses not covered above (itemize)				
a	See Statement 3	1,235,143	1,191,599	43,079	465
b					
c					
d					
e					
44	Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	4,812,123	4,363,071	354,587	94,465

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**

What is the organization's primary exempt purpose? <u>Education of the public</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a <u>Publication of scholarly and literary articles for the education of the public</u> _____ _____ (Grants and allocations \$ _____)	4,363,071
b _____ _____ (Grants and allocations \$ _____)	
c _____ _____ (Grants and allocations \$ _____)	
d _____ _____ (Grants and allocations \$ _____)	
e Other program services _____ (Grants and allocations \$ _____)	
<b>f Total of Program Service Expenses (should equal line 44, column (B), program services)</b>	<b>4,363,071</b>

**Part IV Balance Sheets** (See instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year	
ASSETS	45 Cash – non-interest-bearing	114,760	45	53,740	
	46 Savings and temporary cash investments	2,684,114	46	1,687,700	
	47a Accounts receivable	47a 318,625			
	b Less allowance for doubtful accounts	47b 75,769	67,089	47c 242,856	
	48a Pledges receivable	48a			
	b Less allowance for doubtful accounts	48b		48c	
	49 Grants receivable		771,963	49	339,314
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a Other notes & loans receivable (attach sch)	51a			
	b Less allowance for doubtful accounts	51b		51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges		41,292	53	48,467
	54 Investments – securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		4,959	54	4,709
	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 276,399				
b Less accumulated depreciation (attach schedule) <b>Statement 4</b>	57b 120,206	71,745	57c	156,193	
58 Other assets (describe <b>See Statement 5</b> )		60,222	58	54,590	
59 Total assets (add lines 45 through 58) (must equal line 74)		3,816,144	59	2,587,569	
LIABILITIES	60 Accounts payable and accrued expenses	338,345	60	301,750	
	61 Grants payable		61		
	62 Deferred revenue	656,978	62	754,427	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax-exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)		64b		
	65 Other liabilities (describe _____)		65		
	66 Total liabilities (add lines 60 through 65)		995,323	66	1,056,177
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	1,585,062	67	-108,629	
	68 Temporarily restricted	1,235,759	68	1,640,021	
	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)		2,820,821	73	1,531,392	
74 Total liabilities and net assets/fund balances (add lines 66 and 73)		3,816,144	74	2,587,569	

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.

BAA



**Part VI Other Information** (See specific instructions)

	Yes	No
<b>76</b> Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
<b>77</b> Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes		X
<b>78a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
<b>78b</b> If 'Yes,' has it filed a tax return on Form 990-T for this year?	X	
<b>79</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
<b>80a</b> Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?		X
<b>b</b> If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
<b>81a</b> Enter direct or indirect political expenditures. See line 81 instructions	<b>81a</b>	0
<b>b</b> Did the organization file Form 1120-POL for this year?	<b>81b</b>	X
<b>82a</b> Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	<b>82a</b>	X
<b>b</b> If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	<b>82b</b>	N/A
<b>83a</b> Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>83a</b>	X
<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<b>83b</b>	X
<b>84a</b> Did the organization solicit any contributions or gifts that were not tax deductible?	<b>84a</b>	X
<b>b</b> If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>84b</b>	N/A
<b>85 501(c)(4), (5), or (6) organizations</b> <b>a</b> Were substantially all dues nondeductible by members?	<b>85a</b>	N/A
<b>b</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	<b>85b</b>	N/A
<b>c</b> Dues, assessments, and similar amounts from members	<b>85c</b>	N/A
<b>d</b> Section 162(e) lobbying and political expenditures	<b>85d</b>	N/A
<b>e</b> Aggregate nondeductible amount of Section 6033(e)(1)(A) dues notices	<b>85e</b>	N/A
<b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e)	<b>85f</b>	N/A
<b>g</b> Does the organization elect to pay the Section 6033(e) tax on the amount on line 85f?	<b>85g</b>	N/A
<b>h</b> If Section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	<b>85h</b>	N/A
<b>86 501(c)(7) organizations</b> Enter <b>a</b> Initiation fees and capital contributions included on line 12	<b>86a</b>	N/A
<b>b</b> Gross receipts, included on line 12, for public use of club facilities	<b>86b</b>	N/A
<b>87 501(c)(12) organizations</b> Enter <b>a</b> Gross income from members or shareholders	<b>87a</b>	N/A
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	<b>87b</b>	N/A
<b>88</b> At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations Sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	<b>88</b>	X
<b>89a 501(c)(3) organizations</b> Enter Amount of tax imposed on the organization during the year under Section 4911 <u>0</u> , Section 4912 <u>0</u> , Section 4955 <u>0</u>		
<b>b 501(c)(3) and 501(c)(4) organizations</b> Did the organization engage in any Section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	<b>89b</b>	X
<b>c</b> Enter Amount of tax imposed on the organization managers or disqualified persons during the year under Sections 4912, 4955, and 4958		0
<b>d</b> Enter Amount of tax on line 89c, above, reimbursed by the organization		0
<b>90a</b> List the states with which a copy of this return is filed <u>Massachusetts</u>		
<b>b</b> Number of employees employed in the pay period that includes March 12, 2001 (see instructions)	<b>90b</b>	28
<b>91</b> The books are in care of <u>Robert Kuttner</u> Telephone number <u>617-570-8030</u> Located at <u>5 Broad St, Boston, MA</u> ZIP + 4 <u>02109</u>		
<b>92</b> 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	<b>92</b>	N/A <input type="checkbox"/> N/A

**Part VII Analysis of Income-Producing Activities** (See 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 Bookstore Sales					7,655
b Electronic Policy Net					27,200
c Reprint Fees					37,203
d Subscriptions					815,678
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	72,059	
96 Dividends & interest from securities			14	23,128	
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					-510
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b Advertising Income	541800	28,291			
c Mailing List Rentals			15	30,556	
d Other Income					2,438
e					
104 Subtotal (add columns (B), (D), and (E))		28,291		125,743	889,664
105 Total (add line 104, columns (B), (D), and (E))					1,043,698

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 instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a-e	Income from the publication of scholarly and literary articles which is the purpose of the organization.
103abc	Other income received during the year that is a by-product of the Organization's primary exempt purpose

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

- a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No
- Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of Officer: *[Signature]* Date: 11-6-02

President

Paid Preparer's Use Only

Preparer's Signature: Michael J Cree, CPA, MST Date: 10/10/02

Check if self employed:

Preparer's SSN or PTIN (see General Instruction W): P00067153

Firm's name (or yours if self employed) and address, and ZIP + 4: Siegrist & Cree, CPA's, PC, 20 Walnut Street, Wellesley Hills, MA 02481

EIN: 04-2745810

Phone no: (781) 237-4620

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

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

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1)  
Nonexempt Charitable Trust Supplementary Information - (See separate instructions)

**2001**

Supplementary Information - (see separate instructions)

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

Department of the Treasury  
Internal Revenue Service

Name of the Organization: **The American Prospect, Inc** Employer Identification Number: **52-1617061**

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Amy Keltz Manassas, VA	D Ex Relations 40	66,346	0	0
Robin Hudson Cambridge, MA	Publisher 40	65,769	0	0
David Denison Arlington, MA	Books Editor 40	62,289	0	0
Tim Lyster Cambridge, MA	Asst Publisher 40	60,075	0	0
Harold Meyerson Washington, D C	Exec Editor 40	59,077	0	0
Total number of other employees paid over \$50,000	0			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See instructions List each one (whether individuals or firms) If there are none, enter 'None')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services	0	





**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) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	1,322,824	4,586,967	866,779	2,070,534	8,847,104
<b>16</b> Membership fees received					
<b>17</b> 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	550,438	240,752	410,377	365,713	1,567,280
<b>18</b> 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	131,635	88,795	70,858	39,707	330,995
<b>19</b> Net income from unrelated business activities not included in line 18	72,086	45,926	38,096	21,593	177,701
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> 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.					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. See Stmt 9.	28,589	31,247	2,960	1,013	63,809
<b>23</b> Total of lines 15 through 22	2,105,572	4,993,687	1,389,070	2,498,560	10,986,889
<b>24</b> Line 23 minus line 17	1,555,134	4,752,935	978,693	2,132,847	9,419,609
<b>25</b> Enter 1% of line 23	21,056	49,937	13,891	24,986	
<b>26 Organizations described on lines 10 or 11:</b>	<p><b>a</b> Enter 2% of amount in column (e), line 24 <span style="float:right">N/A</span></p> <p><b>b</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 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.</p> <p><b>c</b> Total support for Section 509(a)(1) test. Enter line 24, column (e)</p> <p><b>d</b> Add Amounts from column (e) for lines <u>18</u> _____ <u>19</u> _____ <u>22</u> _____ <u>26b</u> _____</p> <p><b>e</b> Public support (line 26c minus line 26d total)</p> <p><b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator)).</p>				<p><b>26a</b></p> <p><b>26b</b></p> <p><b>26c</b></p> <p><b>26d</b></p> <p><b>26e</b></p> <p><b>26f</b> %</p>
<b>27 Organizations described on line 12:</b>	<p><b>a</b> 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: (2000) <u>10,000</u> (1999) <u>0</u> (1998) <u>0</u> (1997) <u>25,000</u></p> <p><b>b</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 11, 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: (2000) <u>0</u> (1999) <u>0</u> (1998) <u>0</u> (1997) <u>0</u></p> <p><b>c</b> Add Amounts from column (e) for lines <u>15</u> <u>8,847,104</u> <u>16</u> _____ <u>17</u> <u>1,567,280</u> <u>20</u> _____ <u>21</u> _____</p> <p><b>d</b> Add Line 27a total <u>35,000</u> and line 27b total <u>0</u></p> <p><b>e</b> Public support (line 27c total minus line 27d total)</p> <p><b>f</b> Total support for section 509(a)(2) test. Enter amount from line 23, column (e) <b>27f</b> <u>10,986,889</u></p> <p><b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))</p> <p><b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</p>				<p><b>27c</b> 10,414,384</p> <p><b>27d</b> 35,000</p> <p><b>27e</b> 10,379,384</p> <p><b>27g</b> 94.47 %</p> <p><b>27h</b> 3.01 %</p>

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**Part V Private School Questionnaire** (See instructions)  
 (To be completed Only by schools that checked the box on line 6 in Part IV)

		N/A	
		Yes	No
<b>29</b>	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
<b>30</b>	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
<b>31</b>	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement ) ----- ----- -----		
<b>32</b>	Does the organization maintain the following		
<b>a</b>	Records indicating the racial composition of the student body, faculty, and administrative staff?		
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
<b>d</b>	Copies of all material used by the organization or on its behalf to solicit contributions?  If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement ) ----- -----		
<b>33</b>	Does the organization discriminate by race in any way with respect to		
<b>a</b>	Students' rights or privileges?		
<b>b</b>	Admissions policies?		
<b>c</b>	Employment of faculty or administrative staff?		
<b>d</b>	Scholarships or other financial assistance?		
<b>e</b>	Educational policies?		
<b>f</b>	Use of facilities?		
<b>g</b>	Athletic programs?		
<b>h</b>	Other extracurricular activities?  If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement ) ----- ----- -----		
<b>34a</b>	Does the organization receive any financial aid or assistance from a governmental agency?		
<b>b</b>	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement		
<b>35</b>	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75 50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See instructions )  
 (To be completed **Only** by an eligible organization that filed Form 5768)

N/A

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

**Limits on Lobbying Expenditures**

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

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

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

**4 -Year Averaging Period Under Section 501(h)**

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

**Lobbying Expenditures During 4 -Year Averaging Period**

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4 -Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots non-taxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities** (See instructions )  
 (For reporting only by organizations that did not complete Part VI-A)

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

- 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 )

Yes	No	Amount

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



**Schedule B**  
**(Form 990, 990-EZ,**  
**or 990-PF)**

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Supplementary information for  
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545 0047

**2001**

Name of Organization

The American Prospect, Inc

Employer Identification Number

52-1617061

Organization type (check one)

Filers of:

Form 990 or 990-EZ

Section:

- 501(c)( 3 ) (enter number) organization  
 4947(a)(1) nonexempt charitable trust not treated as a private foundation  
 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation  
 4947(a)(1) nonexempt charitable trust treated as a private foundation  
 501(c)(3) taxable private foundation

Check if your organization is covered by the **general rule** or a **special rule** (Note: Only a Section 501(c)(7), (8), or (10) organization can check box(es) for both the general rule and a special rule – see instructions )

**General Rule –**

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II )

**Special Rules –**

- For a Section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II )
- For a Section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III )
- For a Section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose Do not complete any of the Parts unless the general rule applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year ) ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the general rule and/or the special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990 PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

BAA

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of Organization

Employer Identification Number

The American Prospect, Inc

52-1617061

**Part I** Contributors (see instructions)

(a) Number	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>		\$ <u>10,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>2</u>		\$ <u>26,685</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>3</u>		\$ <u>172,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>4</u>		\$ <u>5,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>5</u>		\$ <u>15,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>6</u>		\$ <u>99,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)



Name of Organization

Employer Identification Number

The American Prospect, Inc

52-1617061

**Part I** Contributors (see instructions)

(a) Number	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>7</u>		\$ <u>2,139,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>8</u>		\$ <u>75,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>9</u>		\$ <u>185,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>10</u>		\$ <u>100,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>11</u>		\$ <u>10,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>12</u>		\$ <u>20,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )



Name of Organization

Employer Identification Number

The American Prospect, Inc

52-1617061

**Part I** Contributors (see instructions)

(a) Number	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13		\$ 55,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
---	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
---	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
---	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
---	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
---	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)



Name of Organization

Employer Identification Number

The American Prospect, Inc

52-1617061

**Part II** Noncash Property

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	----- ----- ----- ----- ----- ----- ----- ----- ----- -----	\$ -----	-----
	----- ----- ----- ----- ----- ----- ----- ----- ----- -----	\$ -----	-----
	----- ----- ----- ----- ----- ----- ----- ----- ----- -----	\$ -----	-----
	----- ----- ----- ----- ----- ----- ----- ----- ----- -----	\$ -----	-----
	----- ----- ----- ----- ----- ----- ----- ----- ----- -----	\$ -----	-----
	----- ----- ----- ----- ----- ----- ----- ----- ----- -----	\$ -----	-----
	----- ----- ----- ----- ----- ----- ----- ----- ----- -----	\$ -----	-----

Name of Organization

Employer Identification Number

The American Prospect, Inc

52-1617061

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year (Complete cols (a) through (e) and the following line entry )

For organizations completing Part III, enter total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (enter this information once - see instructions) ▶ \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

Client 26

The American Prospect, Inc.

52-1617061

10/18/02

10 31AM

**Statement 1**  
**Form 990, Part I, Line 8**  
**Net Gain (Loss) from Noninventory Sales**

Other Assets

Description	Office Furniture		
Date Acquired	8/26/1999		
How Acquired	Purchase		
Date Sold	8/22/2001		
To Whom Sold			
Gross Sales Price	1,980.		
Cost or Other Basis	3,545		
Depreciation	1,055		
		Gain (Loss)	-510

Total Gain (Loss) Other Assets \$ -510

Total Net Gain (Loss) From Noninventory Sales \$ -510

**Statement 2**  
**Form 990, Part I, Line 20**  
**Other Changes in Net Assets or Fund Balances**

Unrealized loss on investments		Total	\$ -250
			\$ <u>-250</u>

**Statement 3**  
**Form 990, Part II, Line 43**  
**Other Expenses**

	(A)	(B)	(C)	(D)
	Total	Program Services	Management & General	Fundraising
Advertising/Marketing	47,272	47,272		
Authors and Illustrators	676,101.	676,101		
Bank Charges	8,511	4,513	3,998	
Dues & Subscriptions	11,749	11,216	379	154
Insurance	13,926	12,554	1,061	311
Internet Access	24,161	24,161		
Mailing List	98,382	98,382.		
Office Expense	59,481	21,840	37,641	
Outside services	295,560	295,560		
Total	\$ <u>1,235,143</u>	\$ <u>1,191,599</u>	\$ <u>43,079</u>	\$ <u>465</u>

Client 26

The American Prospect, Inc.

52-1617061

10/18/02

10 31AM

**Statement 4**  
**Form 990, Part IV, Line 57**  
**Land, Buildings, and Equipment**

Category	Basis	Accum Deprec.	Book Value
Furniture and Fixtures	\$ 90,938	\$ 39,575	\$ 51,363
Machinery and Equipment	189,006	81,686	107,320
Miscellaneous	-3,545	-1,055	-2,490
<b>Total</b>	<b>\$ 276,399</b>	<b>\$ 120,206</b>	<b>\$ 156,193</b>

**Statement 5**  
**Form 990, Part IV, Line 58**  
**Other Assets**

Accrued Interest Receivable	\$ 5,351
Security Deposits	49,239
<b>Total</b>	<b>\$ 54,590</b>

**Statement 6**  
**Form 990, Part IV-A, Line d(2)**  
**Other Amounts**

Loss on sale of assets	\$ -510
<b>Total</b>	<b>\$ -510</b>

**Statement 7**  
**Form 990, Part IV-B, Line b(4)**  
**Other Amounts**

Loss on sale of assets	\$ 510
Unrealized loss on investments	250
<b>Total</b>	<b>\$ 760</b>

**Statement 8**  
**Form 990, Part V**  
**List of Officers, Directors, Trustees, and Key Employees**

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Robert Kuttner 5 Broad Street Boston, MA 02109	President 40	\$ 101,609.	\$ 0	\$ 0

Client 26

The American Prospect, Inc.

52-1617061

10/18/02

10 31AM

**Statement 8 (continued)**  
**Form 990, Part V**  
**List of Officers, Directors, Trustees, and Key Employees**

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP &amp; DC</u>	<u>Expense Account/ Other</u>
Paul Starr 177 Prospect Avenue Princeton, NJ 08540	Vice President 10	\$ 30,500	\$ 0	\$ 0
Christopher Jencks Kennedy School, 79 JFK Street Cambridge, MA 02138	Director None	0	0	0
Randall Kennedy Harvard Law School, Areeda Hall Cambridge, MA 02138	Director None	2,250	0	0
Ellen Miller 1320 19th St NW, Suite ,M-1 Washington, DC 20036	Director None	950	0	0
Robert Reich Brandeis University, Heller Sch Waltham, MA 02254-9110	Director None	22,500	0	0
Laura Tyson, Univ CA-Berkeley Haas Business Sch, Rm S545 Berkeley, CA 94720-1900	Director None	0	0	0
Adele Simmons -Chicago Metro 2 30 West Monroe Street Chicago, IL 60603	Director None	0	0	0
		<u>Total \$ 157,809</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Statement 9**  
**Schedule A, Part IV-A, Line 22**  
**Other Income**

<u>Description</u>	<u>(a) 2000</u>	<u>(b) 1999</u>	<u>(c) 1998</u>	<u>(d) 1997</u>	<u>(e) Total</u>
Miscellaneous	\$ 2,151	\$ 2,841	\$ 2,960	\$ 1,013	\$ 8,965
Mailing list rentals	26,438	28,406	0	0	54,844
<b>Total</b>	<u>\$ 28,589</u>	<u>\$ 31,247</u>	<u>\$ 2,960</u>	<u>\$ 1,013</u>	<u>\$ 63,809</u>

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time - Must File Original and One Copy.

Name of Exempt Organization: The American Prospect, Inc. Employer Identification Number: 52-1617061. Address: 5 Broad Street, Boston, MA 02109.

Check type of return to be filed (file a separate application for each return). Form 990 (checked), Form 990-EZ, Form 990-T, Form 1041-A, Form 5227, Form 8870, Form 990-BL, Form 990-PF, Form 990-T (trust other than above), Form 4720, Form 6069.

Stop: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

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 organizations four digit Group Exemption Number (GEN). If it is part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

I request an additional 3-month extension of time until 11/15, 2002. For calendar year 2001, or other tax year beginning 20 and ending 20. If this tax year is for less than 12 months, check reason: Initial return, Final return, Change in accounting period. State in detail why you need the extension: Additional time is necessary in order to file a complete and accurate return.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. 8b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. 8c Balance due Subtract line 8b from line 8a. Include your payment with this form or if required, deposit with FTD coupon or if required, by using EFTPS (Electronic Federal Tax Payment System).

Signature and Verification

Under penalties of perjury I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief this form is true, correct, and complete, and that I am authorized to prepare this form.

Signature: [Handwritten Signature] CPA Date: 8/1/02

Notice to Applicant - To be Completed by the IRS

We have approved this application. Please attach this form to the organization's return. We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return. We cannot grant your request for an extension of time to file. We are not granting a 10-day grace period. We cannot consider this application because it was filed after the due date of the return for which an extension was requested. Other.

EXTENSION APPROVED SEP 09 2002

LINDA WELCH, OFFICE DIRECTOR

Director: \_\_\_\_\_ Date: \_\_\_\_\_

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3 month extension returned to an address different than the one entered above.

Name: Siegrist & Cree CPA's, PC. Address: 20 Walnut Street, Wellesley Hills, MA 02481.