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Return of Organization Exempt From Income Tax

2000

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Form 990 header section including: A For the 2000 calendar year, or tax year period beginning 2000, and ending 20; B Check if applicable; C The American Prospect, Inc.; D Employer identification number 52-1617061; E Telephone number 617-570-8030; G Organization type; H(a) Is this a group return; J Accounting method; K Check here; L Check this box if the organization is not required to attach Schedule B.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16)

Table with 21 rows and multiple columns for revenue and expenses. Includes sub-rows for contributions (1a-1d), program service revenue (2), membership dues (3), interest on savings (4), dividends (5), gross rents (6a-6c), other investment income (7), gross amount from sales of assets (8a-8d), special events (9a-9c), gross sales of inventory (10a-10c), other revenue (11), total revenue (12), program services (13), management and general (14), fundraising (15), payments to affiliates (16), total expenses (17), excess or deficit (18), net assets at beginning (19), other changes (20), and net assets at end (21).

**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 Specific Instructions on page 20.)

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 \$ _____)	22			
23	Specific assistance to individuals (att sch)	23			
24	Benefits paid to or for members (att sch)	24			
25	Compensation of officers, directors, etc	25	99,307	4,965	4,965
26	Other salaries and wages	26	1,065,569	103,368	85,097
27	Pension plan contributions	27			
28	Other employee benefits	28	60,099	5,589	4,647
29	Payroll taxes	29	98,384	9,150	7,606
30	Professional fundraising fees	30			
31	Accounting fees	31	15,595	15,595	
32	Legal fees	32	13,553	13,553	
33	Supplies	33	6,927	6,847	80
34	Telephone	34	49,903	42,614	3,309
35	Postage and shipping	35	577,086	550,177	24,935
36	Occupancy	36	172,604	143,427	15,932
37	Equipment rental and maintenance	37	16,971	14,168	1,532
38	Printing and publications	38	1,045,136	1,045,136	
39	Travel	39	59,119	49,098	2,832
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42	36,698	30,448	3,413
43	Other expenses (itemize) a <u>Statement 2</u>	43a	1,157,714	1,117,776	36,880
	b	43b			
	c	43c			
	d	43d			
	e	43e			
44	Total functional expenses (add lines 22 thru 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44	4,474,665	4,097,663	241,724

**Reporting of Joint Costs** Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? ▶  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 Specific Instructions on page 23)

What is the organization's primary exempt purpose? ▶ <u>Education of the public</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs 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 \$ 0 )	4,097,663
b _____  (Grants and allocations \$ )	
c _____  (Grants and allocations \$ )	
d _____  (Grants and allocations \$ )	
e Other program services (attach schedule) (Grants and allocations \$ )	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) ▶	<b>4,097,663</b>

**Part IV Balance Sheets** (See Specific Instructions on page 23)

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		1,728,002	45	114,760
	46	Savings and temporary cash investments		1,510,514	46	2,684,114
	47 a	Accounts receivable	47a 67,089			
	b	Less allowance for doubtful accounts	47b	211,029	47c	67,089
	48 a	Pledges receivable	48a			
	b	Less allowance for doubtful accounts	48b		48c	
	49	Grants receivable		2,386,485	49	771,963
	50	Receivables from officers, directors, trustees, and key employees (attach sch)			50	
	51 a	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		17,081	53	41,292
	54	Investments - securities (attach schedule) Statement 3 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		3,545	54	4,959
	55 a	Investments - land, buildings, and equipment basis	55a			
	b	Less accumulated depreciation (attach schedule)	55b		55c	
56	Investments - other (attach schedule)			56		
57 a	Land, buildings, and equipment basis	57a 145,342				
b	Less accumulated depreciation (attach schedule) Stmt 4	57b 73,597	98,103	57c	71,745	
58	Other assets (describe <input type="checkbox"/> See Statement 5 )		65,595	58	60,222	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)		6,020,354	59	3,816,144	
LIABILITIES	60	Accounts payable and accrued expenses		356,269	60	338,345
	61	Grants payable			61	
	62	Deferred revenue		328,214	62	656,978
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63	
	64 a	Tax-exempt bond liabilities (attach schedule)			64a	
	b	Mortgages and other notes payable (attach schedule)			64b	
	65	Other liabilities (describe <input type="checkbox"/> )			65	
	66	<b>Total liabilities</b> (add lines 60 through 65)		684,483	66	995,323
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		2,279,386	67	1,585,062
	68	Temporarily restricted		3,056,485	68	1,235,759
	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	<b>Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19 and column (B) must equal line 21)		5,335,871	73	2,820,821
	74	<b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73)		6,020,354	74	3,816,144

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.

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See Specific Instructions, page 25)

a	Total revenue, gains, and other support per audited financial statements	a	1,961,633
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify)		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	1,961,633
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	See Stmt 6 \$ -2,018		
	Add amounts on lines (1) and (2)	d	-2,018
e	Total revenue per line 12, Form 990 (line c plus line d)	e	1,959,615

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

a	Total expenses and losses per audited financial statements	a	4,476,683
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify)		
	See Stmt 7 \$ 2,018		
	Add amounts on lines (1) through (4)	b	2,018
c	Line a minus line b	c	4,474,665
d	Amounts included on line 17, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	4,474,665

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated, see Specific Instructions on page 25)

(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 & deferred compensation	(E) Expense account and other allowances
Robert Kuttner 5 Broad Street Boston, MA 02109	President 40	99,683	0	0
Paul Starr 177 Prospect Avenue Princeton, NJ 08540	Vice Presiden 10	32,338	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	0	0	0
Ellen Miller 1320 19th St. NW, Suite ,M-1 Washington, DC 20036	Director None	0	0	0
Robert Reich Brandeis University, Heller Sch Waltham, MA 02254-9110	Director None	0	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

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?  Yes  No  
If "Yes," attach schedule - see Specific Instructions on page 26

Part VI Other Information (See Specific Instructions on page 26)		N/A	Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity			X
77	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
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?		X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement			X
80 a	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	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			
81 a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a	0	
b	Did the organization file Form 1120-POL for this year?	81b		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		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 for reporting in Part III)	82b	N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	N/A	
c	Dues, assessments, and similar amounts from members	85c	N/A	
d	Section 162(e) lobbying and political expenditures	85d	N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86	501(c)(7) organizations Enter			
a	Initiation fees and capital contributions included on line 12	86a	N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A	
87	501(c)(12) organizations Enter			
a	Gross income from members or shareholders	87a	N/A	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 30.7701-3? If "Yes," complete Part IX	88		X
89 a	501(c)(3) organizations 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	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0</u>			
d	Enter Amount of tax in 89c, above, reimbursed by the organization <u>0</u>			
90 a	List the states with which a copy of this return is filed <u>Massachusetts</u>			
b	Number of employees employed in the pay period that includes March 12, 2000 (See Instructions)	90b	29	
91	The books are in care of <u>Kelly Cronin</u> Telephone no <u>617-570-8030</u> Located at <u>5 Broad St, Boston, MA</u> ZIP code <u>02109</u>			
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 <u>92</u>			N/A <input type="checkbox"/> N/A

**Part VII Analysis of Income-Producing Activities** (See Specific Instructions on page 30)

	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 Subscriptions					339,909
b Bookstore Sales					20,134
c Electronic Policy Network					22,200
d Reprint Fees					24,255
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash investments			14	91,416	
96 Dividends and interest from securities			14	40,219	
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 personal property					
99 Other investment income					
100 Gain/loss from sales of assets other than inventory					-2,018
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a Other Income					2,152
b Advertising Income	541800	72,086			
c Mailing List Rentals			15	26,438	
d					
e					
104 Subtotal (add columns (B), (D), and (E))		72,086		158,073	406,632
105 Total (add line 104, columns (B), (D), and (E))					636,791

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 Specific Instructions on page 31)

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 Specific Instructions on page 31)

(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 Specific Instructions on page 31)

- (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, this true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. (Important: See General Instruction W, on page 14)

Signature of officer: *[Signature]* Date: 10/10/02 President

Paid Preparer's Use Only

Preparer's signature: Michael J. Cree, CPA, MST Date: 10/2/02 Check if self-employed  Preparer's SSN or PTIN: P00067153

Firm's name (or yours if self-employed) and address, and ZIP code: 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)**

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

OMB No 1545-0047

**2000**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information - (See separate instructions.)**

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

Name of the organization

Employer identification number

The American Prospect, Inc.

52-1617061

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Margaret Birnbaum Cambridge, MA	Art Director	66,003	0	0
David Denison Arlington, MA	Books Editor	61,962	0	0
Scott Stossel Cambridge, MA	Exec Editor	55,962	0	0
Rhea Wilson Plainfield, VT	Senior Editor	53,750	0	0
Candice White Hingham, MA	Publisher	53,552	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 page 1 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

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



**Part III** Statements About Activities

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>N/A</u> Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary?		
a	Sale, exchange, or leasing of property?	2a	X
b	Lending of money or other extension of credit?	2b	X
c	Furnishing of goods, services, or facilities?	2c	X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e	Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.	2e	X
3	Does the organization make grants for scholarships, fellowships, student loans, etc.?	3	X
4a	Do you have a section 403(b) annuity plan for your employees?	4a	X
b	Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See page 2 of the instructions.)		

**Part IV** Reason for Non-Private Foundation Status (See pages 2 through 5 of the instructions)

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

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

Provide the following information about the supported organizations (See page 5 of the instructions)

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

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)

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

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

Calendar year - (or fiscal year beginning in)	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	4,586,967	866,779	2,070,534	965,284	8,489,564
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc purpose	240,752	410,377	365,713	319,939	1,336,781
18 Gross income from interest, dividends, amounts received from payments on securities (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	88,795	70,858	39,707	12,014	211,374
19 Net income from unrelated business activities not included in line 18	45,926	38,096	21,593	18,621	124,236
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a sch Do not include gain or (loss) from sale of capital assets See St 8	31,247	2,960	1,013	1,059	36,279
23 Total of lines 15 through 22	4,993,687	1,389,070	2,498,560	1,316,917	10,198,234
24 Line 23 minus line 17	4,752,935	978,693	2,132,847	996,978	8,861,453
25 Enter 1% of line 23	49,937	13,891	24,986	13,169	

26 Organizations described on lines 10 or 11

a Enter 2% of amount in column (e), line 24 N/A

b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a government unit or publicly supported organization) whose total gifts for 1996 through 1999 exceeded the amount shown in line 26a Enter the sum of all these excess amounts

c Total support for section 509(a)(1) test Enter line 24, column (e)

d Add Amounts from column (e) for lines 18 \_\_\_\_\_ 19 \_\_\_\_\_  
22 \_\_\_\_\_ 26b \_\_\_\_\_

e Public support (line 26c minus line 26d total)

f Public support percentage (line 26e (numerator) divided by line 26c (denominator))

27 Organizations described on line 12

a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list (which is not open to public inspection) to show the name of, and total amounts received in each year from, each "disqualified person" Enter the sum of such amounts for each year See Statement 9

(1999) 0 (1998) 0 (1997) 25,000 (1996) 50,000

b For any amount included in line 17 that was received from a nondisqualified person, attach a list 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) After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of all these differences (the excess amounts) for each year

(1999) 0 (1998) 0 (1997) 0 (1996) 0

c Add Amounts from column (e) for lines 15 8,489,564 16 \_\_\_\_\_  
17 1,336,781 20 \_\_\_\_\_ 21 \_\_\_\_\_

d Add Line 27a total 75,000 and line 27b total 0

e Public support (line 27c total minus line 27d total)

f Total support for section 509(a)(2) test Enter amount on line 23, column (e) 27f 10,198,234

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) 27g 95.62%

h Investment Income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) 27h 2.07%

28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1996 through 1999, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not include these grants in line 15 (See page 5 of the instructions)

**Part V Private School Questionnaire** (See page 5 of the 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>32a</b>	a Records indicating the racial composition of the student body, faculty, and administrative staff?		
<b>32b</b>	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
<b>32c</b>	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
<b>32d</b>	d Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )			
<b>33</b>	Does the organization discriminate by race in any way with respect to		
<b>33a</b>	a Students' rights or privileges?		
<b>33b</b>	b Admissions policies?		
<b>33c</b>	c Employment of faculty or administrative staff?		
<b>33d</b>	d Scholarships or other financial assistance?		
<b>33e</b>	e Educational policies?		
<b>33f</b>	f Use of facilities?		
<b>33g</b>	g Athletic programs?		
<b>33h</b>	h 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>34b</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 page 7 of the instructions)  
 (To be completed ONLY by an eligible organization that filed Form 5768)

N/A

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

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

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

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

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
 See the instructions for lines 45 through 50 on page 9 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

**Part VI-B** **Lobbying Activity by Nonelecting Public Charities**  
 (For reporting only by organizations that did not complete Part VI-A) (See page 9 of the instructions)

N/A

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

- 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 or 990-EZ)

# Schedule of Contributors

OMB No 1545-0047

2000

Department of the Treasury  
Internal Revenue Service

Supplementary information for line 1d of Form 990 or  
line 1 of Form 990-EZ (see instructions)

Name of organization

The American Prospect, Inc.

Employer identification number

52-1617061

Organization type (check one) - Section  501(c)( 3 ) ◀ (enter number),  527 or  
 4947(a)(1) nonexempt charitable trust

**A Section 501(c)(7), (8), or (10) organizations** - Check this box if the organization had no charitable contributors who contributed more than \$1,000 during the year (But see General rule below) ▶

Enter here the total gifts received during the year for a religious, charitable, etc., purpose ▶ \$

**Note:** This form is generally not open to public inspection except for section 527 organizations

**KFA** For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 990 and Form 990-EZ. Schedule B (Form 990 or 990-EZ) (2000)

Name of organization

Employer identification number

The American Prospect, Inc.

52-1617061

**Part I** Contributors

(a) No	(b) Name, address and zip code	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>		\$ <u>111,865</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
(a) No		(c) Aggregate contributions	(d) Type of contribution
<u>2</u>		\$ <u>411,507</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
(a) No		(c) Aggregate contributions	(d) Type of contribution
<u>3</u>		\$ <u>132,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
(a) No		(c) Aggregate contributions	(d) Type of contribution
<u>4</u>		\$ <u>36,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
(a) No		(c) Aggregate contributions	(d) Type of contribution
<u>5</u>		\$ <u>200,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
(a) No		(c) Aggregate contributions	(d) Type of contribution
<u>6</u>		\$ <u>201,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)

Name of organization

Employer identification number

The American Prospect, Inc.

52-1617061

**Part I** Contributors

(a) No.	(b) Name, address and zip code	(c) Aggregate contributions	(d) Type of contribution
7		\$ 2,000,000	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
8		\$ 75,000	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
—		\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
—		\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
—		\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
—		\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a 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** Section 501(c)(7), (8), or (10) organizations that received more than \$1,000 in charitable gifts during the year-

• Enter the total gifts that were from contributors who gave \$1,000 or less during the year for a religious, charitable, etc., purpose (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 code		Relationship of transferor to transferee	
_____ _____ _____		_____ _____ _____	
—	_____ _____ _____	_____ _____ _____	_____ _____ _____
(e) Transfer of gift			
Transferee's name, address, and zip code		Relationship of transferor to transferee	
_____ _____ _____		_____ _____ _____	
—	_____ _____ _____	_____ _____ _____	_____ _____ _____
(e) Transfer of gift			
Transferee's name, address, and zip code		Relationship of transferor to transferee	
_____ _____ _____		_____ _____ _____	
—	_____ _____ _____	_____ _____ _____	_____ _____ _____
(e) Transfer of gift			
Transferee's name, address, and zip code		Relationship of transferor to transferee	
_____ _____ _____		_____ _____ _____	

Statement 8  
Schedule A, Part IV-A, Line 22  
Other Income

Description	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
Miscellaneous	\$ 2,841	\$ 2,960	\$ 1,013	\$ 1,059	\$ 7,873
Mailing list rentals					
	28,406	0	0	0	28,406
Total	<u>\$ 31,247</u>	<u>\$ 2,960</u>	<u>\$ 1,013</u>	<u>\$ 1,059</u>	<u>\$ 36,279</u>

Statement 9  
Schedule A, Part IV-A, Line 27a  
Payments from Disqualified Persons

Disqualified Person	1999	1998	1997	1996
-	\$ 0	\$ 0	\$ 25,000	\$ 50,000
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,000</u>	<u>\$ 50,000</u>

10/02/02

11 08AM

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

Other Assets:

Description:	Computer Equip & Software	
Date Acquired:	Various	
How Acquired:	Purchased	
Date Sold:	Various	
To Whom Sold:		
Gross sales price:	0	
Cost or other basis:	20,128	
Expenses of sale:	0	
Depreciation:	17,841	
Gain (Loss)		\$ -2,287

Description:	Computer Equipment	
Date Acquired:	12/13/99	
How Acquired:	Purchased	
Date Sold:	12/31/00	
To Whom Sold:		
Gross sales price:	1,800	
Cost or other basis:	1,900	
Expenses of sale:	0	
Depreciation:	369	
Gain (Loss)		269

Gain (Loss) from other assets		-2,018
Total Gain (Loss)		<u>\$ -2,018</u>

**Statement 2**  
**Form 990, Part II, Line 43**  
**Other Expenses**

Other Expenses	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising
Advertising/Marketing	\$ 29,838	29,798	40	
Authors and Illustrators	758,757	758,757		
Bad Debt	6,234	6,234		
Bank Charges	7,113	4,131	2,982	
Dues & Subscriptions	8,924	7,938	517	469
Insurance	8,660	7,931	398	331
Internet Access	15,631	15,631		
Mailing List	115,922	115,922		
Office Expense	38,553	4,037	32,943	1,573
Outside services	168,082	167,397		685
<b>Total</b>	<u>\$1,157,714</u>	<u>1,117,776</u>	<u>36,880</u>	<u>3,058</u>

Client 26

The American Prospect, Inc.

52-1617061

10/02/02

11 08AM

Statement 3  
Form 990, Part IV, Line 54  
Investments - Securities

Corporate Stocks	Valuation Method	Amount	Total
Publicly traded marketable securities	Market Value	\$ 4,959	
			\$ 4,959
	Total		<u>\$ 4,959</u>

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

Asset	Basis	Accum. Deprec.	Book Value
Furniture and fixtures	\$ 55,637	32,437	23,200
Machinery and equipment	89,705	41,160	48,545
Total	<u>\$ 145,342</u>	<u>73,597</u>	<u>71,745</u>

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

	Ending
Accrued Interest Receivable .....	\$ 33,683
Security Deposits .....	26,539
Total	<u>\$ 60,222</u>

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

Loss on sale of assets .....	\$ -2,018
Total	<u>\$ -2,018</u>

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

Loss on sale of assets .....	\$ 2,018
Total	<u>\$ 2,018</u>