

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)

Department of the Treasury
Internal Revenue Service

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

A For the 2007 calendar year, or tax year beginning 08/01, 2007, and ending 07/31/2008

B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending. C Name of organization AMERICAN ASSOCIATION OF ORTHODONTISTS FOUNDATION. D Employer identification number 43-6056320. E Telephone number (314) 993-1700. 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. I Group Exemption Number. M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Website: WWW.AAOFUNDATION.NET

J Organization type (check only one) 501(c)(3) 4947(a)(1) or 527

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 22,427,206.

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

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues; 4 Interest on savings; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income; 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses; 9c Net income; 10a Gross sales of inventory; 10b Less: cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets; 21 Net assets or fund balances at end of year.

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. (See the instructions.)

Table with 5 columns: (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include 22a Grants paid from donor advised funds, 22b Other grants and allocations, 23 Specific assistance to individuals, 24 Benefits paid to or for members, 25a Compensation of current officers, 25b Compensation of former officers, 25c Compensation and other distributions, 26 Salaries and wages of employees, 27 Pension plan contributions, 28 Employee benefits, 29 Payroll taxes, 30 Professional fundraising fees, 31 Accounting fees, 32 Legal fees, 33 Supplies, 34 Telephone, 35 Postage and shipping, 36 Occupancy, 37 Equipment rental and maintenance, 38 Printing and publications, 39 Travel, 40 Conferences, conventions, and meetings, 41 Interest, 42 Depreciation, depletion, etc., 43 Other expenses not covered above, and 44 Total functional expenses.

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 [X] No
If "Yes," enter (i) the aggregate amount of these joint costs \$ ; (ii) the amount allocated to Program services \$ ;
(iii) the amount allocated to Management and general \$ ; and (iv) the amount allocated to Fundraising \$

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

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

<p>What is the organization's primary exempt purpose? <b>SEE STATEMENT 6</b></p> <p>All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)</p>	<p><b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)</p>
<p><b>a</b> ALL ASPECTS OF THE FOUNDATION'S SUPPORT FOR RESEARCH AND EDUCATION IN THE FIELD OF ORTHODONTICS, SUCH AS AWARDS AND GRANTS, AS WELL AS COSTS INCURRED TO ADMINISTER THE AWARDS PROGRAMS</p> <p>(Grants and allocations \$ 459,429. ) If this amount includes foreign grants, check here <input type="checkbox"/></p>	<p>550,273.</p>
<p><b>b</b></p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p><b>c</b></p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p><b>d</b></p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p><b>e</b> Other program services (attach schedule) (Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p><b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) . . . . .</p>	<p>550,273. Form 990 (2007)</p>

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

				(A)		(B)
				Beginning of year		End of year
Assets	<b>45</b> Cash - non-interest-bearing . . . . .				<b>45</b>	
	<b>46</b> Savings and temporary cash investments . . . . .			134,455.	<b>46</b>	28,083.
	<b>47a</b> Accounts receivable . . . . .	<b>47a</b>	24,095.			
	<b>b</b> Less: allowance for doubtful accounts . . . . .	<b>47b</b>			<b>47c</b>	24,095.
	<b>48a</b> Pledges receivable . . . . .	<b>48a</b>	8,476,149.			
	<b>b</b> Less: allowance for doubtful accounts . . . . .	<b>48b</b>	839,768.	7,917,801.	<b>48c</b>	7,636,381.
	<b>49</b> Grants receivable . . . . .				<b>49</b>	
	<b>50a</b> Receivables from current and former officers, directors, trustees, and key employees (attach schedule) . . . . .				<b>50a</b>	
	<b>b</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) . . . . .				<b>50b</b>	
	<b>51a</b> Other notes and loans receivable (attach schedule) . . . . .	<b>51a</b>				
	<b>b</b> Less: allowance for doubtful accounts . . . . .	<b>51b</b>			<b>51c</b>	
	<b>52</b> Inventories for sale or use . . . . .				<b>52</b>	
	<b>53</b> Prepaid expenses and deferred charges . . . . .			4,814.	<b>53</b>	22,011.
	<b>54a</b> Investments - publicly-traded securities <input type="checkbox"/> STMT 8 <input checked="" type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV . . . . .			19,902,137.	<b>54a</b>	19,894,651.
	<b>b</b> Investments - other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV . . . . .				<b>54b</b>	
	<b>55a</b> Investments - land, buildings, and equipment: basis . . . . .	<b>55a</b>				
	<b>b</b> Less: accumulated depreciation (attach schedule) . . . . .	<b>55b</b>			<b>55c</b>	
	<b>56</b> Investments - other (attach schedule) . . . . .				<b>56</b>	
	<b>57a</b> Land, buildings, and equipment: basis . . . . .	<b>57a</b>	15,788.			
	<b>b</b> Less: accumulated depreciation (attach schedule) . . . . .	<b>57b</b>	15,788.	1,849.	<b>57c</b>	
<b>58</b> Other assets, including program-related investments (describe <input type="checkbox"/> STMT 9 ) . . . . .			67,136.	<b>58</b>	52,527.	
<b>59 Total assets</b> (must equal line 74). Add lines 45 through 58 . . . . .			28,028,192.	<b>59</b>	27,657,748.	
Liabilities	<b>60</b> Accounts payable and accrued expenses . . . . .			82,906.	<b>60</b>	89,287.
	<b>61</b> Grants payable . . . . .				<b>61</b>	
	<b>62</b> Deferred revenue . . . . .				<b>62</b>	
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .				<b>63</b>	
	<b>64a</b> Tax-exempt bond liabilities (attach schedule) . . . . .				<b>64a</b>	
	<b>b</b> Mortgages and other notes payable (attach schedule) . . . . .				<b>64b</b>	
	<b>65</b> Other liabilities (describe <input type="checkbox"/> STMT 10 ) . . . . .			212,500.	<b>65</b>	220,455.
	<b>66 Total liabilities.</b> Add lines 60 through 65 . . . . .			295,406.	<b>66</b>	309,742.
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	<b>67</b> Unrestricted . . . . .			1,334,524.	<b>67</b>	182,677.
	<b>68</b> Temporarily restricted . . . . .			2,120,451.	<b>68</b>	1,867,005.
	<b>69</b> Permanently restricted . . . . .			24,277,811.	<b>69</b>	25,298,324.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.					
	<b>70</b> Capital stock, trust principal, or current funds . . . . .				<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund . . . . .				<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds . . . . .				<b>72</b>	
	<b>73 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) . . . . .			27,732,786.	<b>73</b>	27,348,006.
	<b>74 Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 . . . . .			28,028,192.	<b>74</b>	27,657,748.





Part VI Other Information (continued)

Table with columns for question ID, question text, and Yes/No columns. Rows include questions 82a through 91b regarding organizational activities, financials, and foreign accounts.

**Part VI Other Information (continued)**

c At any time during the calendar year, did the organization maintain an office outside of the United States? . . . . . **91c**  Yes  No  
 If "Yes," enter the name of the foreign country ▶ \_\_\_\_\_

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

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

**Note:** Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
<b>93</b> Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments . . . . .					
g Fees and contracts from government agencies . . . . .					
<b>94</b> Membership dues and assessments . . . . .					
<b>95</b> Interest on savings and temporary cash investments . . . . .					
<b>96</b> Dividends and interest from securities . . . . .			14	598,589.	
<b>97</b> Net rental income or (loss) from real estate:					
a debt-financed property . . . . .					
b not debt-financed property . . . . .					
<b>98</b> Net rental income or (loss) from personal property . . . . .					
<b>99</b> Other investment income . . . . .					
<b>100</b> Gain or (loss) from sales of assets other than inventory . . . . .			18	-376,550.	
<b>101</b> Net income or (loss) from special events . . . . .			01	-13,907.	
<b>102</b> Gross profit or (loss) from sales of inventory . . . . .					
<b>103</b> Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
<b>104</b> Subtotal (add columns (B), (D), and (E)) . . . . .				208,132.	
<b>105</b> Total (add line 104, columns (B), (D), and (E)) . . . . .					208,132.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	N/A

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

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

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

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

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

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

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

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

	Yes	No
		X

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

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

	Yes	No
		X

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

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

	Yes	No
		X

**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 \_\_\_\_\_ Date \_\_\_\_\_  
 Type or print name and title \_\_\_\_\_

**Paid Preparer's Use Only**

Preparer's signature <input type="checkbox"/>	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X)
Firm's name (or yours if self-employed), address, and ZIP + 4 <input type="checkbox"/>	RUBINBROWN LLP ONE NORTH BRENTWOOD SAINT LOUIS, MO 63105		EIN <input type="checkbox"/> 43-0765316 Phone no. <input type="checkbox"/> 314-290-3300

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

Department of the Treasury  
Internal Revenue Service

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

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

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

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

OMB No. 1545-0047

**2007**

Name of the organization **AMERICAN ASSOCIATION OF ORTHODONTISTS  
FOUNDATION**

Employer identification number  
**43-6056320**

**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
NONE				

Total number of other employees paid over \$50,000 . . . ▶ NONE

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 14		

Total number of others receiving over \$50,000 for professional services . . . . . ▶ NONE

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of other contractors receiving over \$50,000 for other services . . . . . ▶ NONE

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

Yes No

Table with 3 columns: Question, Yes, No. Rows include: 1. Lobbying activities; 2. Substantial contributors; 2a-e. Other acts; 3a-d. Grants and services; 4a-c. Donor advised funds; 4d-f. Total number of funds and aggregate values.

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ► \_\_\_\_\_
- 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I       Type II       Type III - Functionally Integrated       Type III - Other

**Provide the following information about the supported organizations.** (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b> . . . . .					►

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 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.

Table with columns: Calendar year (or fiscal year beginning in), (a) 2006, (b) 2005, (c) 2004, (d) 2003, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12.

**Part V Private School Questionnaire** (See page 9 of the instructions.) NOT APPLICABLE  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		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>29</b>	
<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>30</b>	
<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>31</b>	
<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>32a</b>	
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .	<b>32b</b>	
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .	<b>32c</b>	
<b>d</b>	Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .	<b>32d</b>	
	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>33a</b>	
<b>b</b>	Admissions policies? . . . . .	<b>33b</b>	
<b>c</b>	Employment of faculty or administrative staff? . . . . .	<b>33c</b>	
<b>d</b>	Scholarships or other financial assistance? . . . . .	<b>33d</b>	
<b>e</b>	Educational policies? . . . . .	<b>33e</b>	
<b>f</b>	Use of facilities? . . . . .	<b>33f</b>	
<b>g</b>	Athletic programs? . . . . .	<b>33g</b>	
<b>h</b>	Other extracurricular activities? . . . . .	<b>33h</b>	
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
<b>34 a</b>	Does the organization receive any financial aid or assistance from a governmental agency? . . . . .	<b>34a</b>	
<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>34b</b>	
<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 . . . . .	<b>35</b>	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**

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 - The lobbying nontaxable amount is -</b>		
Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . .		
Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000	<b>41</b>	
Over \$1,000,000 but not over \$1,500,000 . . \$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000 . \$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000 . . . . . \$1,000,000 . . . . .		
<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 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(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 nontaxable 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**

**NOT APPLICABLE**

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
<b>a</b> Volunteers . . . . .			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .			
<b>c</b> Media advertisements . . . . .			
<b>d</b> Mailings to members, legislators, or the public . . . . .			
<b>e</b> Publications, or published or broadcast statements . . . . .			
<b>f</b> Grants to other organizations for lobbying purposes . . . . .			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body . . . . .			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .			
<b>i</b> Total lobbying expenditures (Add lines c through h.) . . . . .			

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



Schedule of Contributors

2007

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

Name of organization AMERICAN ASSOCIATION OF ORTHODONTISTS FOUNDATION	Employer identification number 43-6056320
---	--

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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 boxes 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 they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 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).

<b>Name of organization</b> AMERICAN ASSOCIATION OF ORTHODONTISTS FOUNDATION	<b>Employer identification number</b> 43-6056320
---	---

**Part I** Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 1,513,187.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 135,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
—		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
—		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
—		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
—		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
—		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

FORM 990, PART I - EXCLUDED CONTRIBUTIONS  
=====

DESCRIPTION -----	AMOUNT -----
GOLF TOURNAMENT	32,215.
TOTAL	----- 32,215. =====

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES

=====

DESCRIPTION -----	GROSS REVENUE -----	DIRECT EXPENSES -----	NET INCOME -----
GOLF TOURNAMENT	17,535.	31,442.	-13,907.
TOTALS	17,535.	31,442.	-13,907.

=====

=====

=====

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES  
=====

DESCRIPTION	AMOUNT
-----	-----
UNREALIZED LOSS ON INVESTMENTS	727,906.
TOTAL	----- 727,906. =====

FORM 990, PART II - OTHER GRANTS AND ALLOCATIONS PAID DURING THE YEAR

=====

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
-----	-----	-----	-----
GRANTS PAID =====			
SEE ATTACHED			459,429.
		TOTAL CONTRIBUTIONS PAID	459,429.
			=====

FORM 990, PART II - OTHER EXPENSES

=====

DESCRIPTION -----	TOTAL -----	PROGRAM SERVICES -----	MANAGEMENT AND GENERAL -----	FUNDRAISING -----
CREDIT CARD FEES	17,972.			17,972.
CONSULTING	74,000.			74,000.
GRAPHIC DESIGN	1,453.	1,453.		
MISCELLANEOUS	594.		594.	
PROFESSIONAL FEES & SERVICE	70,078.	13,254.	16,533.	40,291.
PROMOTION	13,099.			13,099.
WRITE OFF OF PROMISES TO GIVE	340,089.		340,089.	
INVESTMENT FEES	177,346.		177,346.	
WEBSITE	724.		724.	
INFORMATION SYSTEMS	8,406.	2,001.	2,043.	4,362.
	-----	-----	-----	-----
TOTALS	703,761.	16,708.	537,329.	149,724.
	=====	=====	=====	=====

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE  
=====

THE FOUNDATION PROVIDES SUPPORT FOR RESEARCH AND EDUCATION IN THE  
FIELD OF ORTHODONTICS.

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
TOTALS	----- 22,011. =====

FORM 990, PART IV - INVESTMENTS - PUBLICLY TRADED SECURITIES

=====

DESCRIPTION -----	ENDING BOOK VALUE -----
COMMON STOCKS	13,302,108.
CORPORATE BONDS	1,011,292.
US TREASURY SECURITIES	19,990.
US GOVT AGENCY SECURITIES	1,790,209.
MORTGAGE BACKED SECURITIES	2,683,046.
MONEY FUNDS	788,006.
CERTIFICATES OF DEPOSIT	300,000.
	-----
TOTALS	19,894,651.
	=====

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
ACCRUED INTEREST RECEIVABLE	52,527.
TOTALS	----- 52,527. =====

FORM 990, PART IV - OTHER LIABILITIES

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
AWARDS PAYABLE	220,455.
TOTALS	----- 220,455. =====

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----
ROBERT HAZEL 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	EXEC VP 50.00	125,722.	30,734.	NONE
DR. TERRY DUNCAN 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	DIRECTOR 1.00	NONE	NONE	NONE
DR. GUY A. FAVALORO 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	DIRECTOR 1.00	NONE	NONE	NONE
CHRISTOPHER VRANAS 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	SECRETARY-TREASURER 1.00	NONE	NONE	NONE
DR. JEFFREY T. CAVANAUGH 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	PRESIDENT 1.00	NONE	NONE	NONE
DR. HARRY L. DOUGHERTY JR. 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	PRESIDENT-ELECT 1.00	NONE	NONE	NONE
DR. FRED A. GARRETT	NAT' L ENOWMENT CAMPAIGN CHAIR 1.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----
401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816				
DR. J. ANTHONY QUINN 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	DIRECTOR 1.00	NONE	NONE	NONE
ROBERT J. BRAY 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	AAO SECRETARY-TREASURER 1.00	NONE	NONE	NONE
JAMES H. GALLAGHER 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	DIRECTOR 1.00	NONE	NONE	NONE
JAMES E. GJERSET 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	NATIONAL PLANNED GIVING CHAIR 1.00	NONE	NONE	NONE
STEPHEN E. HERSHEY 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	DIRECTOR 1.00	NONE	NONE	NONE
JAMES KUNKEMOELLER 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	PUBLIC DIRECTOR #2 1.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----
JAMES E. PASCHAL 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	VANGUARD SOCIETY CHAIR 1.00	NONE	NONE	NONE
NICHOLAS D. BARONE 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	DIRECTOR 1.00	NONE	NONE	NONE
RICHARD A. COLLIER 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	PUBLIC DIRECTOR #1 1.00	NONE	NONE	NONE
LEE W. GRABER 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	AAO SECRETARY-TREAS DESIGNATE 1.00	NONE	NONE	NONE
WALDEMAR B. SZWAJKOWSKI 401 N LINDBERGH BLVD ST. LOUIS, MO 63141-7816	PUBLIC DIRECTOR #3 1.00	NONE	NONE	NONE
	GRAND TOTALS	125,722.	30,734.	NONE
		=====	=====	=====

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.

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NAME AND ADDRESS	TYPE OF SERVICE	COMPENSATION
-----	-----	-----
UBS FINANCIAL SERVICES 1 N BRENTWOOD ST. LOUIS, MO 63105 INVESTMENT MANAGEMENT SERVICES	INVESTMENT MGMT	177,346.
SCHUPP CO. 401 PINE STREET ST. LOUIS, MO 63102	PUBLIC RELATIONS	74,000.
TOTAL COMPENSATION		----- 251,346. =====

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

=====

SEE FORM 990 PART V

## SCHEDULE A, PART III - EXPLANATION FOR LINE 3A

=====

THE FOUNDATION HAS TWO "FELLOWSHIP" AWARDS, I. E., ORTHODONTIC FACULTY DEVELOPMENT FELLOWSHIP AWARDS AND POST-DOCTORAL FELLOWSHIP AWARDS. THE CRITERIA FOR THESE AWARDS, AND ALL OTHERS, IS ANNOUNCED IN THE FOUNDATION'S AAOF AWARD MATERIALS - GENERAL ANNOUNCEMENT AND APPLICATION PROCEDURE - WHICH IS UPDATED EACH YEAR. THIS IS A HIGHLY COMPETITIVE PROCESS, AND A REVIEW COMMITTEE(PLANNING AND AWARDS REVIEW COMMITTEE, OR "PARC") RECOMMENDS WHICH PROPOSALS ARE FUNDED, AND THIS RECOMMENDATION IS CONSIDERED BY THE FOUNDATION BOARD OF DIRECTORS WHO MAKES THE FINAL DETERMINATION.

